

bulletin

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U.S. and Italy Discuss Topics of Mutual Interest

THE PRESIDENT EXCHANGES VIEWS WITH PRIME MINISTER DE GASPERI

[Released to the press September 25 by the White House]

President Truman and Prime Minister de Gasperi met at the White House on Tuesday, September 25. The meeting was devoted to an exchange of views on the present international situation and on matters of mutual concern to Italy and the United States.

The President and the Prime Minister agreed on the importance of continuing the joint effort of the free nations united in the North Atlantic Treaty Organization to the preservation of world peace. Each reaffirmed the conviction of his Government that the free nations must be strong in order to make the world safe from aggression. Prime Minister de Gasperi reaffirmed that the Italian people are fully determined to continue their efforts for the common cause. He described Italy's particular need to strengthen its economic position as part of its general defense effort. President Truman assured the Prime Minister that the United States, as in the past, will continue to assist Italy and the other Allies in achieving economic and social stability and in increasing their capacity for defense. He agreed with Mr. de Gasperi that the defense of Europe is vital to the preservation of the free world.

Mr. de Gasperi referred to the contradictions between the spirit of the Italian peace treaty and Italy's present position as an equal member of the community of free nations. He informed the President of the legitimate desire of the Italian people that these contradictions be removed. The Prime Minister also expressed satisfaction at the opportunity he has had to exchange views on the question with the Secretary of State, as well as with the British and French Foreign Ministers. The President assured the Prime Minister that the United States Government is determined that the situation he had described be corrected in a spirit of equity and friendship. He expressed confidence that the consideration now being given to this matter would be satisfactorily concluded.

The Prime Minister stressed, and the President recognized, the importance to the Italian people

of the Trieste question, in regard to which the policies of both Governments are well-known. The question was fully taken into consideration.

Mr. de Gasperi emphasized to the President the seriousness of the problem of overpopulation in Italy and informed him of the Italian Government's efforts toward finding international solutions to the related problem of resettlement. The President assured the Prime Minister that the United States fully recognizes the urgency of reaching international agreements which will help alleviate distress in overpopulated countries such as Italy and contribute to the development of other areas.

The President and the Prime Minister each expressed gratification at the opportunity given by the latter's visit to reaffirm the friendship and identity of views of the two nations. They stated the determination of their respective Governments to continue to work for a peace based on the principles of the United Nations Charter, to which each is dedicated.

JOINT COMMUNIQUE

[Released to the press September 26]

The President of the United States, the Secretary of State, and the Prime Minister of Italy have met during the past 3 days and had a full exchange of views on questions of mutual interest to both countries. For the discussion of economic matters, the Acting Administrator of the Economic Cooperation Administration, Mr. [Richard M.] Bissell, and the Minister of the Italian Budget, Mr. [Giuseppe] Pella, joined the group. At the conclusion of the conversations, the Secretary of State and the Prime Minister issued the following statement:

Conversations were held in the spirit of friendship and cooperation which governs the relations between the United States and Italy. They revealed continuing agreement between the governments of the two countries on common objectives and means of achieving them.

The Secretary of State and the Prime Minister reviewed the general international situation, and agreed that both nations, jointly with the other

free nations, must devote their entire energies to achieving peace with security. They agreed further on the need for positive action to bring together the peoples and governments of the Atlantic community. The Secretary of State and the Prime Minister reviewed the steps already taken to bring about a closer association of the Western European nations, including the German Federal Republic and a European defense force, and the Prime Minister expressed to the Secretary of State Italy's determination to lend cooperation fully in these efforts.

The North Atlantic Treaty Organization as a means of regional defense under the United Nations Charter and its particular importance in closer political and economic cooperation between both Western European and Mediterranean nations were fully recognized. They also recognized that the Mediterranean area is essential to the common defense, and welcomed the steps that had been taken at the recent meeting of the North Atlantic Council at Ottawa.

The Secretary of State reiterated the determination of the United States to press for Italy's admission into the United Nations in order that Italy may cooperate to the fullest extent in the maintenance of peace and the removal of causes of international tension.

The Secretary of State assured the Prime Minister that his request on behalf of the Italian people for removal of the restrictions and discriminations in the Italian peace treaty has been given most favorable consideration by the United States Government. The declaration by the United Kingdom, France, and the United States on this subject has been published. The Secretary of State expressed hope that all the governments signatory to the treaty would give their full concurrence to this declaration.

Regarding Trieste, both the Prime Minister and the Secretary of State agreed that a solution to this question would greatly strengthen unity of Western Europe. As stated in the conversation between the Prime Minister and the President, the policies of both governments on this question are well known. The solution should take into account the legitimate aspirations of the Italian people.

The Prime Minister described the urgency of measures to assist in the full utilization of Italian manpower resources. The Secretary of State expressed complete understanding of the importance of this question and the readiness of the United States Government to cooperate in its solution. He informed the Prime Minister that the United States will cooperate with other governments having an interest in evolving practical plans for an international organization to consider and put into effect concrete plans for the solution of the related problems of Italian and European overpopulation.

The economic problems common to the two countries were reviewed in detail by the repre-

sentatives of the two governments. On the American side, great satisfaction was expressed at the progress made in strengthening Italy's economic and financial situation. The Prime Minister was assured that it is the intention of the United States Government to contribute as in the past, within the limits of the funds appropriated to this end by Congress, the military and economic aid necessary to support the Italian effort to develop greater economic strength, social stability, and capacity for defense of its freedom and independence.

Particular attention was given to the idle capacity existing in some sectors of Italian industry, and to the possibility of the United States Government placing orders for additional defense production which will contribute to a speedier and fuller Italian participation in the production effort of the NATO countries and which will increase the level of employment in Italy.

Assurance was given of United States help in getting priorities for the equipment necessary to increase the production of electric power and steel in Italy.

The Secretary of State and Minister Pella signed an agreement supplementing the Treaty of Friendship, Commerce and Navigation of 1948, which will provide for an increased flow of investments between the two countries.

This friendly and exhaustive exchange of views, both on political and economic matters, confirmed the determination of the two countries to further, in concert with other democratic Nations, their close cooperation in order to solve effectively the problems of welfare, security, and peace.

EQUESTRIAN STATUES—A SYMBOL OF ITALIAN FRIENDSHIP

Address by the President ¹

On behalf of the American people, I am happy to accept the gift of these four beautiful statues from the people of Italy. These statues were designed by American artists and made by Italian craftsmen. Italian foundries and Italian workmen, using the secrets of their craft that go back to the days of Michelangelo, cast these heroic figures in bronze and covered them with gold.

These statues bear witness to the artistic traditions and the fine workmanship of the Italian people.

Four of the workmen who made these bronze groups have come to this country for the ceremony, and we are delighted to have them with us. We are also fortunate to have with us a representative of the trade-union leaders of Italy who are striving for a free, democratic labor movement. These leaders are fighting in the cause of free

¹ Made at Washington, D.C., on September 26 at the ceremony dedicating the equestrian statues at Arlington Memorial Bridge Plaza, and released to the press by the White House on the same date.

trade unions and free people everywhere. The presence here of these Italian citizens testifies to the friendship and trust between the people of Italy and the people of the United States in the struggle for human freedom.

Ever since the war, our two countries have been working together to preserve world peace. We have been seeking to create economic conditions that will make it possible for all men to do useful work and live their lives in freedom. The Italian people have made great progress, Mr. Prime Minister, since your last visit to Washington in 1947.

Your people have made progress in agriculture and industry. Industrial production in Italy is now 45 percent higher than it was in 1947. Electric-power production is almost double what it was before the war. You have been moving forward in land reclamation and flood control.

But this is not all. Italy is engaged in a program of economic and social reforms. Low-cost housing developments have been started. Land reform is giving thousands of farmers a new stake in the land they work. The whole island of Sardinia has been freed from the scourge of malaria and as a result offers new and greater opportunities for economic development.

We in the United States regard steps like these as vitally important. We believe most deeply that the benefits of economic progress and increased production should be made available to all the people.

That is why we are so glad to see the new developments that are taking place in Italy today. Italy is making progress by evolution and not by revolution. And it is progress that benefits the ordinary citizen. We are confident that the firm devotion to freedom and democratic principles that has guided you, Mr. Prime Minister, and your colleagues in office, will result in further advances for the Italian people.

Through these difficult years since the war, the Italian people have proved their right to participate fully—and as equal partners—in the great constructive tasks of the free world.

During your conferences here, Mr. Prime Minister, we have discussed ways in which our two countries can continue to work together in the effort of the free nations for peace and human advancement.

It is clear that Italy cannot do its full share in this effort under the existing restrictions of the Italian peace treaty. As it stands, the treaty does not give Italy the position of equality among the free nations to which it is now entitled. Among other things, the treaty places unnecessary shackles on Italian efforts for the common defense of the community of free nations. We intend to do everything we can to see that these unfair restrictions and discriminations are removed.

We also intend to keep on working for the admission of Italy to the United Nations. If the

Soviet Union keeps on vetoing Italy's membership, other ways must be found to enable Italy to play a full and equal part in upholding the principles of the United Nations.

In the economic field, we realize that one of Italy's biggest problems is surplus manpower—and that jobs and homes must be found in other lands for many of those who cannot be employed in Italy. The history of the United States shows that a nation is most fortunate if it can obtain the energies and skills of Italian immigrants. I hope we can set up an effective international program to help solve Italy's problems of surplus manpower. There are many places in the world where people from Italy are needed and where they can lay the foundations for a prosperous future for themselves and their children.

In addition to idle manpower, Italy has factories which could be used for defense production if they were not hampered by shortages of materials and lack of foreign exchange. When factories and workers in Italy stand idle, that is a needless loss to the strength of the free world. Acting together, our governments must take steps to use the resources of Italy's manpower and industrial production as fully as possible in the great mobilization effort of the free nations for peace.

The future of Italy lies not only in domestic progress but also in closer ties and greater unity with the free nations that are its neighbors. We have followed with great interest the efforts of Italian statesmen to bring about a greater sense of European unity, based on moral and cultural values. We expect Italy, with its great religious and cultural heritage, to take a leading part in that effort.

Greater unity in defense, greater unity in economic effort, the removal of obsolete national barriers from the North Sea to the Mediterranean—these are things that are needed to provide not only security, but social and economic advancement for the peoples of Europe.

Only by such changes can we preserve the fundamental values of the past. Only by such a combined effort can we counter the menace of Soviet aggression. Only through such cooperation by all, can we raise the living standards and increase the opportunities of any single nation.

In these great tasks, Mr. Prime Minister, we wish the Italian people good fortune and speedy success. Rest assured that we are with you, and will do all we can to help.

Remarks by Secretary Acheson

[Released to the press September 26]

Following are the remarks of Secretary Acheson in introducing the Prime Minister of Italy, Alcide de Gasperi:

"History," wrote Thomas Carlyle, "is the essence of innumerable biographies."

Certainly one of those whose lives must figure prominently in the history of these times is Alcide de Gasperi, President of the Council of Ministers and Minister for Foreign Affairs of Italy.

Throughout his lifetime, Mr. de Gasperi has been identified with the cause of freedom and his country's independence. In the difficult years since his rise to the position of Italy's first Minister, Mr. de Gasperi has continued to demonstrate the courage and the wisdom which have always been associated with his name.

In recent weeks I have had the pleasure of knowing at first hand the qualities of mind and of person which have enabled Mr. de Gasperi to fulfill so distinguished a role in the history of Italy, and, indeed, of all Europe.

This privilege I now take pleasure in sharing with all of you.

Mr. President, Ladies and Gentlemen—His Excellency, Prime Minister de Gasperi.

Address by Prime Minister de Gasperi

A few months ago at Florence I delivered one of these statues to Ambassador Dunn before it was shipped to the United States.

Now, here, we have all four grouped in front of us, and I think that, in a certain way, they fit into the general picture of our meetings and of my visit to the United States. For here you have portrayed Spiritual Elevation, the Arts, Agriculture, Gallantry, and Sacrifice.

Surely all this can stand for the spiritual and material development of man, his humanity, his traditions, and his free determination to defend them if threatened.

That is our common objective and the aim of our Atlantic community.

But they represent something more—I mean the gratitude of us Italians for the generosity of the American people.

These statues, a remarkable expression of modern American art, were cast and finished in four different cities—Naples, Florence, Milan, Rome—by artisans and workers coming from all parts of Italy, some of whom are here with us today. Together, these groups represent, not only the gift of a Government, but the action and the skilled contribution of Italian industry and labor which have been so efficiently supported, throughout the land, by the Marshall Plan assistance.

This aid is but one of the many proofs of United States friendship. It would be easy for me to recall others. Suffice it to mention the recent evidence we have had in these days that we can count on the sympathetic and effective cooperation of the American people represented by their President and their Government.

We have, in fact, examined with you, Mr. President, and with your Government many and complex problems which go from the economic and financial cooperation between our two Govern-

ments to the legitimate claims of Italy and the solution to that which, perhaps, is the most important problem—overpopulation. In the framework of our close cooperation and cordial friendship, the solution of these problems has accomplished considerable progress during the course of the conversations of these recent days.

You and we, in facing and resolving these problems, aim above all at attaining a better general settlement of advantage to the interests of the community of free nations.

We cannot, however, underestimate the fact that this genuine, loyal, and constructive friendship between our two countries is one of the most promising elements in these troubled times.

It is, therefore, with pleasure that, on behalf of the President of the Italian Republic and of my Government and—I am certain—of all Italians in Italy and the world over, I offer you, Mr. President, this token of deep gratitude.

At the same time, I formulate the sincere wish that your country and mine, under the banner of freedom and justice and in prosperity may always work together for democracy, progress, and peace.

ADDRESS BY PRIME MINISTER DE GASPERI TO THE CONGRESS¹

Mr. President, Mr. Speaker, and Members of Congress, it is a high honor for me to speak in this assembly, this great stronghold of world democracy. The events of my political life have led me to experience different regimes, to sustain struggles for national independence and freedom, to witness the suppression of the democratic parliamentary system, and finally to see the triumph of our free institutions. My past therefore lends weight to my testimony when I say that the American Congress has shone in the last 40 years as a beacon of light which has drawn wandering humanity back on the path of democratic progress. Here, in the darkest days, resounded the guiding voices of the Presidents of the United States; here you Members of Congress took the most important decisions for victory.

As a democrat, as a European, as an Italian, I pay tribute to the greatness of your providential mission.

You have admirably and generously accomplished this mission by intervening at decisive moments with the armed forces of liberation. You have accomplished it in peace and in war, by encouraging resistance, appealing to moral forces, recalling to peoples their common heritage of human dignity and reviving the feeling of brother-

¹ Made on Sept. 24 and printed from *Cong. Rec.* of Sept. 24, 1951, p. 12233.

liness which knows no inequalities, neither before God nor before men.

How many times, Honorable Members of Congress, how many times bent under oppression or tyranny, did we raise our hearts and our hopes by meditating on those words of the Declaration of Independence:

We hold these truths to be self-evident: that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

By these truths and by your faith in those human rights you were impelled to act and to intervene in far away countries, where freedom was in peril. The actions of people are complex: good and evil, egoism and unselfishness may alternatively affect their course. But the basic idea, the underlying force that provides the impulse is but one: yours is not imperialism, it is not a spirit of conquest. It is your love for freedom which—as Lincoln wrote to a compatriot of ours—unlike the pattern of the French Revolution, upholds the rights of citizens, but also has a moral content because it sanctions their duties.

What is, after all, your endeavor to set up the United Nations, if not an effort to overcome conflicts and war on the basis of equality and reason? And since on the opposite side unity is not desired and dissension is fostered, what is the Atlantic Pact if not another attempt at solidarity among men of good will in building a free world and defending it—if attacked—by the force of arms?

I have just paid homage to the Unknown Soldier, the symbol of all those who died in your wars and in ours. Before that monument I thought of all the fallen of yours and of ours, who lie in the cemeteries of Italy and I thought of all the sacrifices that have been made. None of those dead soldiers—as reads that superb inscription—is unknown to God; and all must have their place in the hearts of the nations who have fought, and are still fighting, for right against aggression. The Italian people feel that this iron law of solidarity in defense is the price of freedom and of democracy.

Should they be faced with an aggression which all attempts at conciliation had failed to avert, the Italian people would stand by to give their contribution to common defense.

Nobody can believe that free men such as you are, men who have had an intimate experience of the evils of war as we have had, can look to war as the solution of our problems.

A well-known British author recalls in his book, *Diplomacy*, a very ancient address delivered by King Archidamus about 2,300 years ago to the Lacedaemonians at the Conference of Sparta:

I have not, oh Lacedaemonians, reached the age that I have, without having gained experience in many wars. There are some among you of the same age as myself, who will not make the unfortunate mistake of imagining in their ignorance that war is a desirable thing, or that it brings with it either advantage or security.

We who have gone through two world wars know that we must avert a third.

Members of this Congress, this is also your will as well as the intention of President Truman. But it is now clear that we cannot avoid war unless we achieve a balance of forces. I would say that rearmament, a reasonable rearmament, is not in contrast with, but it is in Europe a condition for, reconstruction, in the same way as economic recovery, as laid down by the Marshall plan, aims at insuring the defense of freedom and democracy.

In shouldering such considerable sacrifices on behalf of the United States people in view of our economic survival, Congress has achieved much in the way of defense. It has won the first battle. Not all our goals have been reached, it is true. But it is also true that without your generous contribution Europe, at least most certainly the anti-Communist front line of continental Europe, would already have collapsed. I fully realize the heavy sacrifices of your countrymen, but President Truman has rightly stated:

The best way to stop subversion by the Kremlin is to strike at the roots of social injustice and economic disorder.

We in Italy, a land of small means but of great traditions, have gone a long way toward reconstruction and social justice. Public order has been restored and the level of purchasing power has been strenuously defended. These two achievements were a prerequisite for any further development. For it is clear that no social reform, no bold program of public works can be successfully implemented, if the Government is unable to protect the democratic institutions against revolutionary attempts and if the country has no confidence in the currency. After a tremendous inflation which cut the prewar lira down to one-fiftieth of its value, monetary stability was essential. Within the limits imposed by this basic requirement, economic recovery was successfully promoted. Production is 30 percent higher than the prewar level. Food consumption per capita has attained its prewar level. A large-scale land reform has been planned and is now being gradually enforced. A full fiscal reform has also been enacted by Parliament and will be enforced before the end of this year.

We are endeavoring to carry on simultaneously our program of social reforms and our rearmament program. This is not easy in my country. In Italy, taxation absorbs already more than 21 percent of the national income. But our national income is one-seventh of the American citizen's income. Hence every further cut in consumption incides on essential living commodities.

We are striving to increase employment at home and to find new outlets for our labor abroad: an arduous task in a country which has about 2,000,000 unemployed, out of an active population of about 21,000,000.

We ask you to assist us. We are a proletarian

Nation which above all needs work: work at home on orders for civilian or military supplies, and work abroad through temporary or permanent employment of our surplus manpower. You are first-hand witnesses of the industriousness of our people.

However, we would not come to you urged only by material needs. If we did, we would not deserve consideration nor your friendship. But as freemen to freemen we wish to tell you we are grateful to you because by demanding the revision of our unfair peace treaty, you have acknowledged that an effective and stanch alliance cannot exist without equality of rights and full recognition of the independence, sovereignty, and dignity of a Nation.

I thank you for the action taken by many Members of Congress and I hope that through the wisdom of the President this matter will be brought to a successful end.

None of you should think that we are victims of a narrow nationalism.

If we ask for the question of Trieste to be finally solved in the framework of the Anglo-French-American Declaration of 1948, it is because we want to consolidate our western coalition in Europe. It is because we want to create a front where old difficulties may no longer exist, and thus solidly establish the bulwark of European unity behind this common alinement of forces.

Europe, once finally united, will relieve you of your sacrifices in men and arms for Europe, for she will by herself contrive the defense of her peace and the common freedom.

Rallying the exhaustless energies of her moral and civil traditions, she, Europe, will, then, gentlemen, again take her turn in impressing on the course of human progress the mark of her decisive contribution.

Mr. President, Mr. Speaker, honorable Members of Congress, this assembly deserves the gratitude of all free peoples. Italy, through me here, renews this expression of her thankfulness and restates her solemn pledge of cooperation.

May God assist us in our work for the salvation of freedom.

SUPPLEMENTARY AGREEMENT ON ECONOMIC RELATIONS

[Released to the press September 25]

An agreement supplementing the Treaty of Friendship, Commerce and Navigation of February 2, 1948, between the United States and the Italian Republic was signed on September 25 at Washington. The Secretary of State signed for this Government and Giuseppe Pella, Minister of the Budget, for Italy. The agreement rounds out the comprehensive rules governing general economic relations between the two countries established by the treaty of 1948. The main objective

of the agreement is to encourage the flow of private capital investment by providing more fully for the transfer of capital, earnings and other funds, and by amplifying the principles of equitable treatment set forth in the treaty. The agreement is subject to ratification by the two Governments. When it becomes effective it will form an integral part of the treaty of 1948.

The agreement was signed at the conclusion of several days of discussions between the Secretary of State and Italian Prime Minister de Gasperi, on matters of mutual interest to the two countries. It expresses the common interest manifested during those talks in closer economic relations between the two countries, both for their own advantage and as a contribution to greater economic collaboration within the North Atlantic community.

The agreement contains nine articles amplifying various provisions of the treaty of 1948 or establishing mutually agreed standards in matters not covered by that treaty. These articles deal with such diverse subjects as the transfer of funds, the application of exchange regulations, the fair and nondiscriminatory treatment of legally acquired rights, and interests of citizens and corporations of one country within the territories of the other, the employment of technical personnel, social security, and commercial arbitration. A special feature is article V, which confirms to United States investments in Italy the advantages conferred by special Italian domestic legislation for the development of southern Italy and of particular industrial areas.

AGREEMENT SUPPLEMENTING THE TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION BE- TWEEN THE UNITED STATES OF AMERICA AND THE ITALIAN REPUBLIC

The United States of America and the Italian Republic, desirous of giving added encouragement to investments of the one country in useful undertakings in the other country, and being cognizant of the contribution which may be made toward this end by amplification of the principles of equitable treatment set forth in the Treaty of Friendship, Commerce and Navigation signed at Rome on February 2, 1948, have resolved to conclude a supplementary Agreement, and for that purpose have appointed as their Plenipotentiaries,

The President of the United States of America:
Dean Acheson, Secretary of State of the United States
of America,

and

The President of the Italian Republic:
Giuseppe Pella,
Minister of the Budget
of the Italian Republic.

Who, having communicated to each other their full powers found to be in due form, have agreed as follows:

ARTICLE I

The nationals, corporations and associations of either High Contracting Party shall not be subjected to arbitrary or discriminatory measures within the territories of the other High Contracting Party resulting particularly in:
(a) preventing their effective control and management of enterprises which they have been permitted to establish or

acquire therein; or (b) impairing their other legally acquired rights and interests in such enterprises or in the investments which they have made, whether in the form of funds (loans, shares or otherwise), materials, equipment, services, processes, patents, techniques or otherwise. Each High Contracting Party undertakes not to discriminate against nationals, corporations and associations of the other High Contracting Party as to their obtaining under normal terms the capital, manufacturing processes, skills and technology which may be needed for economic development.

ARTICLE II

With reference to Article I, paragraph 2 (c), of the said Treaty of Friendship, Commerce and Navigation, laws regarding qualifications for the practice of a profession shall not prevent the nationals, corporations and associations of either High Contracting Party from engaging, or contracting for the services of, technical and administrative experts for the particular purpose of making, exclusively within the enterprise, examinations, audits and technical investigations for, and rendering reports to, such nationals, corporations and associations in connection with the planning and operation of their enterprise, and enterprises in which they have a financial interest, within the territories of the other High Contracting Party.

ARTICLE III

1. Regarding the transferability of capital invested by nationals, corporations and associations of either High Contracting Party in the territories of the other, and the returns thereon, the High Contracting Parties undertake to grant each other the most liberal treatment practicable.

2. Each High Contracting Party will permit the nationals, corporations and associations of the other High Contracting Party to transfer freely, by obtaining exchange in the currency of their own country:

- (a) Earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services or otherwise, and funds for amortization of loans and depreciation of direct investments, and
- (b) Funds for capital transfers.

If more than one rate of exchange is in force, the rate applicable to transfers referred to in the present paragraph shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of such specifically approved rate, an effective rate which, inclusive of any tax or surcharges on exchange transfers, is just and reasonable.

ARTICLE IV

1. Notwithstanding the provisions of Article III of the present Agreement, each High Contracting Party shall retain the right, in periods of foreign exchange stringency, to apply: (a) exchange restrictions to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people; (b) exchange restrictions to the extent necessary to prevent its monetary reserves from falling to a very low level or to effect a moderate increase in very low monetary reserves; and (c) particular exchange restrictions specifically authorized or requested by the International Monetary Fund. In the event that either High Contracting Party applies exchange restrictions, it shall within a period of three months make reasonable and specific provisions for the transfers referred to in Article III, paragraph 2 (a), together with such provisions for the transfers referred to in Article III, paragraph 2 (b), as may be feasible, giving consideration to special needs for other transactions, and shall afford the other High Contracting Party adequate opportunity for consultation at any time regarding such provisions and other matters affecting such transfers. Such provisions shall be reviewed in consultation with such other High Contracting Party at intervals of not more than twelve months.

2. The provisions of the present Article, rather than those of Article XXIV, paragraph 1 (f) of the said Treaty, shall govern as to matters treated in the present Agreement.

ARTICLE V

In addition, and without prejudice to the other provisions of the present Agreement or of the said Treaty, there shall be applied to the investments made in Italy the regulations covering the special advantages set forth in the fields of taxation, customs and transportation rates, for the industrialization of Southern Italy under Law No. 1598 of December 14, 1948, and for the development of the Apuanian industrial area and the industrial areas of Verona, Gorizia, Trieste, Leghorn, Marghera, Bolzano and other areas covered by the Italian legislation now existing or which may in the future be adopted.

ARTICLE VI

The clauses of contracts entered into between nationals, corporations and associations of either High Contracting Party, and nationals, corporations and associations of the other High Contracting Party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforceable within the territories of the other High Contracting Party merely on the grounds that the place designated for the arbitration proceedings is outside such territories, or that the nationality of one or more of the arbitrators is not that of such other High Contracting Party. No award duly rendered pursuant to any such contractual clause, which is final and enforceable under the laws of the place where rendered, shall be deemed invalid or denied effective means of enforcement within the territories of either High Contracting Party merely on the grounds that the place where such award was rendered is outside such territories or that the nationality of one or more of the arbitrators is not that of such High Contracting Party. It is understood that nothing herein shall be construed to entitle an award to be executed within the territories of either High Contracting Party until after it has been duly declared enforceable therein.

ARTICLE VII

1. The two High Contracting Parties, in order to prevent gaps in the social insurance protection of their respective nationals who at different times accumulate substantial periods of coverage under the principal old-age and survivors insurance system of one High Contracting Party and also under the corresponding system of the other High Contracting Party, declare their adherence to a policy of permitting all such periods to be taken into account under either such system in determining the rights of such nationals and of their families. The High Contracting Parties will make the necessary arrangements to carry out this policy in accordance with the following principles:

- (a) Such periods of coverage shall be combined only to the extent that they do not overlap or duplicate each other, and only insofar as both systems provide comparable types of benefits.
- (b) In cases where an individual's periods of coverage are combined, the amount of benefits, if any, payable to him by either High Contracting Party shall be determined in such a manner as to represent, so far as practicable and equitable, that proportion of the individual's combined coverage which was accumulated under the system of that High Contracting Party.
- (c) An individual may elect to have his right to benefits, and the amount thereof, determined without regard to the provisions of the present paragraph.

Such arrangements may provide for the extension of the present paragraph to one or more special old-age and survivors insurance systems of either High Contracting Party, or to permanent or extended disability insurance systems of either High Contracting Party.

2. At such time as the Maintenance of Migrants' Pension Rights Convention of 1935 enters into force with respect to both High Contracting Parties, the provisions of that Convention shall supersede, to the extent that they are inconsistent therewith, paragraph 1 of the present Article and arrangements made thereunder.

ARTICLE VIII

Each High Contracting Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such questions as the other High Contracting Party may raise with respect to any matter affecting the operation of the present Agreement or of the said Treaty.

ARTICLE IX

The present Agreement shall be ratified, and the ratifications thereof shall be exchanged at Washington as soon as possible. It shall enter into force on the day of exchange of ratifications, and shall thereupon constitute an integral part of the said Treaty of Friendship, Commerce and Navigation.

IN WITNESS WHEREOF the respective Plenipotentiaries have signed the present Agreement and have affixed hereto their seals.

DONE in duplicate, in the English and Italian languages, both equally authentic, at Washington, this twenty-sixth day of September, one thousand nine hundred fifty-one.

Removal of Certain Restrictions From Italian Treaty Favored

Declaration by U.S., France, and U.K.

[Released to the press September 26]

The Governments of the United States, France, and the United Kingdom have considered for some time how best to resolve, in the interests of the harmonious development of cooperation between the free nations, the problem presented by the peace treaty with Italy.

In accordance with the desire of the Italian people, Italy, which loyally cooperated with the Allies during the latter part of the war as a co-belligerent, has reestablished democratic institutions. In the spirit of the United Nations' Charter, Italy has invariably extended to other peaceful and democratic governments that cooperation indispensable to the solidarity of the free world.

Nevertheless, although Italy has on three occasions received the support of the majority of member states voting in the General Assembly, it is still prevented by an unjustifiable veto from obtaining membership in the United Nations in spite of the provisions of the treaty and the Charter.

Moreover, Italy is still subject under the peace treaty to certain restrictions and disabilities. These restrictions no longer accord with the situation prevailing today nor with Italy's status as an active and equal member of the democratic and freedom-loving family of nations.

Each of the three governments, therefore, declares hereby its readiness to give favorable consideration to a request from the Italian Govern-

ment to remove so far as concerns its individual relations with Italy, and without prejudice to the rights of third parties, those permanent restrictions and discriminations now in existence which are wholly overtaken by events or have no justification in present circumstances or affect Italy's capacity for self-defense.

Each of the three governments hereby reaffirms its determination to make every effort to secure Italy's membership in the United Nations.

The three governments trust that this declaration will meet with the wide approval of the other signatories of the peace treaty and that they will likewise be prepared to take similar action.

Military Aid Program for Indochina Reexamined

[Released to the press by Departments of State and Defense September 23]

Discussions which have been going on for the past week between General of the Army, Jean de Lattre de Tassigny, French High Commissioner in Indochina and Commander in Chief of the French Union Forces in Indochina, and officials of the Departments of Defense and State, were concluded September 22 in an atmosphere of cordiality and unity of purpose.

The participants were in complete agreement that the successful defense of Indochina is of great importance to the defense of all Southeast Asia. United States officials stated that General de Lattre's presentation of the situation in that area had been invaluable to them and had demonstrated that United States and French policies in the associated states were not at variance.

In the course of the discussions with the Department of Defense, the military-aid program for Indochina was reexamined, with the result that considerable improvement will be made in the rate of deliveries of many items of equipment. General de Lattre has been advised that the question of additional aid for the French and Vietnamese forces in Indochina in the fiscal year 1952 program is under study by the United States Government.

CORRECTION

U.S. Proposes New Convention for Freedom of Information—in the BULLETIN of September 24, 1951, page 504, footnote 1 should read "released to the press by the U. S. delegation to Ecosoc."

Participation of Greece and Turkey in NATO

LETTER FROM PRESIDENT TRUMAN TO THE PRESIDENT OF TURKEY

[Released to the press September 24]

The President on September 21 sent a message to the President of Turkey, Celal Bayar, expressing gratification at the decision of the North Atlantic Council recommending that Greece and Turkey be invited to become full members of the North Atlantic Treaty Organization. On the same date he sent to Prime Minister Sophocles Venizelos of Greece a similar message, delivered by Ambassador John E. Peurifoy. The following is the text of the message to President Bayar, which was delivered by Ambassador George Wadsworth:

I wish to convey to you my deep personal gratification, as well as that of my Government, at the decision of the North Atlantic Treaty Council, meeting in Ottawa, that subject to ratification by their governments they would extend to Turkey an invitation to become a full member of the North Atlantic Treaty Organization. I am sure that you have by this time received from the President of the Council a formal notification of this action.¹

I am particularly pleased with this decision because I know that it represents the fulfillment of a deep desire on the part of the Turkish Government and Turkish people, and a recognition of the valiant efforts Turkey has made in the postwar period to maintain her independence and integrity in the face of persistent threats and pressures. We have, as you know, long had the desire that Turkey be invited to accede to the North Atlantic Treaty. We have had the firm conviction that Turkey can contribute greatly to the objectives of the Treaty, which represents a milestone in the efforts of the Atlantic community to create a security system to protect their independence and their common ideals.

Turkey will, I feel sure, benefit greatly from her membership in the Treaty Organization. As a signatory of the Treaty, Turkey will have the

¹Editor's Note. On Sept. 20, at the conclusion of the North Atlantic Council meeting at Ottawa (BULLETIN of Oct. 1, 1951, p. 523), Belgian Foreign Minister Paul van Zeeland, as President of the Council, orally notified the Ambassadors of Greece and Turkey to Canada of the Council's recommendation.

same rights and, of course, will assume the same responsibilities as other members. We are glad that the excellent cooperation between your country and ours, which has enabled us, since 1947, to assist in the building up of Turkey's economic and military strength, can now be fitted into the larger framework of the North Atlantic Treaty.

It will take some time to meet the constitutional requirement for parliamentary ratification by the various governments, including our own, of the action taken by the Council before a formal invitation can be extended. I hope, however, that the time to achieve this can be reduced to a minimum.

I wish to assure you once again of our pleasure at the prospect of welcoming Turkey into full membership in the North Atlantic Treaty Organization to which we attach such great significance. We look forward to working with Turkey in this organization to help build the bastions of the free world for defense against the Communist menace which Turkey knows so well.

AMBASSADOR SPOFFORD TO SIGN PROTOCOL

[Released to the press September 28]

The U.S. representative on the North Atlantic Council of Deputies, Ambassador Charles M. Spofford, has received from President Truman the full powers which authorize him to sign for the United States the protocol on the admission of Greece and Turkey to NATO.

At Ottawa last week, the North Atlantic Council agreed to recommend to the member governments that Greece and Turkey be invited to accede to the North Atlantic Treaty as soon as possible. This recommendation will be acted upon according to the respective national procedures of each country, which for the United States will involve the advice and consent of the Senate. Adoption of the protocol which Mr. Spofford is now authorized to sign on behalf of the United States is a necessary step in the procedure agreed upon by the Council.

The United States has acted promptly in authorizing its deputy to sign and hopes that signature by the Council deputies on behalf of their respective Governments will further the process through which Greece and Turkey may become full members of NATO without delay.

Queen Juliana Makes Plea For Assimilation of Refugees

On September 21 the Netherlands Ambassador, Dr. J. H. van Roijen presented the following letter from Queen Juliana of the Netherlands to President Truman which was released to the press by the Netherlands Embassy on the same date:

[SEPTEMBER 11, 1951]

In these postwar years I have been thinking more and more about the evergrowing problem of the refugees and the homeless in all parts of the world.

Regardless of the causes for this distressing situation I am deeply concerned with the needs of the refugees and the expelled and most of all of the residual groups which for a long time to come will be in the need of care and maintenance.

I fully realize the magnificent and wonderful work which in the course of these years has been done and the results that have been achieved by UNRRA, IRO, the churches and the voluntary agencies. In all these efforts the American people provided the greatest share as regards workers and means. We in the Netherlands try to do our share too, notwithstanding our own grave overpopulation.

IRO is now finishing its task. A High Commissioner has been appointed by the United Nations to provide international protection for large groups of refugees, but international protection is not enough. International machinery has been established for Korea and the Arab refugees, but elsewhere such machinery is lacking. There is no guarantee that material aid will be given to large groups of refugees who badly need it. Nor is it certain that the necessary measures will be taken designed to make possible the assimilation of nonresettleable refugees in the countries of their residence.

As the free nations are overburdened by the political, military and economic issues of the day the refugee problem might vanish into the background.

But you will surely agree that political questions can be most dangerously aggravated by the discontentment and restlessness of millions which are numerous enough to populate a major country.

In this uncertainty I put the problem before you in all its urgency for this moment and for the future. I would like to ask you to take the initiative for a new approach to cut this sore spot out of the body of humanity, where otherwise it will remain an imminent, political danger.

This can only be achieved, as I see it, by relieving these people from their feeling of discontentment and frustration and so helping them to regain their independence and self-respect. I believe that the best way to help them is by integrat-

ing them into economic life in order to make them able to bear the responsibility for those who are dependent upon them.

The assimilation of refugees must be the aim. In many cases this will require further material assistance, but—as you will agree—that can only be effective when given in a Christian spirit of mutual responsibility and love. Then only the individual will feel, that effective care is being taken of his problem in its different aspects, and that the sum total of his basic human rights, which the United Nations have proclaimed, is being implemented. I feel that in such a spirit only we can find a solution for this and other great human problems.

They should—so to speak—be looked at through the eyes of the social worker. Too often the refugees are dealt with only on the basis of their value as a labor potential. Insofar as they are unable to work they are then considered as a liability. We cannot, however, disregard the old, the sick, the disabled, and the children. Nor should we allow conditions under which families are being split up. As long as these things happen the world must seem to them a hostile place. This must embitter them deeply—and we all learn our lesson as to how embittered people are liable to adhere to totalitarian ideologies.

In measures of relief, quality is still more important than quantity, and here like always any therapy can only achieve results when applied in a spirit of respect for the freedom of each person and each people since only such freedom will enable them to play their part in the building of a sound world.

Knowing how heavy the burden is on the shoulders of the President of the United States I have hesitated to approach you in this matter. However I know that you not only see its political importance but that you also have the human understanding and the faith which are needed to tackle it.

W. Averell Harriman Named To Special Committee of NAC

[Released to the press by the White House September 26]

The President has appointed W. Averell Harriman as U.S. representative to the Special North Atlantic Council Committee established September 19 at Ottawa by the North Atlantic Council. The Committee's task will be to prepare a coordinated analysis of all NATO defense plans in relation to the political and economic capabilities of the member countries.

This analysis will provide a basis for dealing with the complex problems which must be solved if the free world is to be assured of continued progress in building its defenses.

The Committee will make a progress report to the Council at its next meeting.

Meeting Strength With Strength

*Address by Philip C. Jessup
Ambassador-At-Large¹*

It is a great pleasure for me to address a conference sponsored by the Carnegie Endowment for International Peace. The Endowment's nobility of purpose and breadth of accomplishment are known to all, and over the years my own small measure of participation in the work of the Endowment has been a source of enduring satisfaction to me.

I particularly welcome this opportunity to address this Conference on World Affairs, because it is a conference of educators and, as one who has spent most of his life as a teacher, I feel at home among you. The task you have set yourselves—to study American participation in world affairs and to formulate effective techniques for widespread American discussion of foreign problems—seems to me a task which is assuming a greater urgency every day and every hour. Ours is a representative government. Accordingly, American foreign policy, like American domestic policy, must at all times reflect the collective will of the American people—a collective will which in turn reflects the best thinking of each constituent segment of our national life. Those who mold the opinion of America—whether they be teachers, clergymen, journalists, statesmen, or leaders of farm, business, professional, or labor groups—are also those who mold the conscience and the purpose of America. On their dedication to their task, and on their humble devotion to the principles of good will which guide free men, there may depend—and I say this in all deliberation—the preservation of our country and our way of life. I have no doubt that the task will continue to be well done.

There is something gravely ironic about speaking today on Soviet policy to a conference convoked by an Endowment for International Peace. The Endowment established half a century ago

¹Made before the Round Table on World Affairs in Extension Education of the Carnegie Endowment for International Peace at Washington on Sept. 26 and released to the press on the same date.

by the doughty Scottish steelworker is dedicated to "international peace"—genuine peace among free and equal nations. But the Soviet despotism established by Lenin and led for more than a quarter of a century by his ruthless Georgian successor is dedicated to a far different aim—the aggrandizement of its power through the imposition of totalitarian communism, by stealth or force, upon the free peoples of the world.

The aim of Andrew Carnegie is our aim and the aim of all free nations. It is the aim so vigorously and prayerfully enshrined in the Charter of the United Nations 6 years ago, when "We, the Peoples of the United Nations" affirmed our high resolve:

to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small . . .

Coping With Misguided Soviet Policy

The Russians, as they are wont to remind us, were also signatories of the U.N. Charter; but it is sadly apparent that the high principles of the Charter mean something different when translated into Russian. Words like "democracy" and "peace" have a very different meaning when spoken by a Soviet representative. We have learned the Soviet meaning of peace from the bitter tragedies of the satellite countries—those chill and dimly lit anterooms of the Soviet prison. Peace on Soviet terms ignores "fundamental human rights . . . the dignity and worth of the human person . . . the equal rights of men and women and of nations large and small . . ." Peace on Soviet terms consists only of the brutal and silent domination of the master over the slave. For, behind the banners and the slogans, the clenched fists and the burnished bayonets, the Iron Curtain and the iron bars, we see that Soviet "peace," like Soviet "freedom," is but a new mask

for the wrinkled face of imperialism, long since repugnant to free peoples everywhere.

To know the nature of Soviet policy is not, however, enough. We must ask ourselves what we can do about it. What, in short, is our policy and the policy of the free nations with whom, in this one world, our fate is inextricably linked? And in talking about "our policy" and that of our friends, I am not limiting myself to the conventional word "diplomacy" which appears in the title of our discussion today. I am talking rather of our composite policy—political, economic, and military—buttressed by that fundamental faith in human liberty and human dignity without which our efforts would lack meaning and hope of ultimate success.

Briefly, what we can and what we must do in the face of the Soviet threat is to proceed resolutely upon our present course. In cooperation with our friends, we must continue to develop strength-in-being which will offset that of the Soviet Government and its satellites. The Soviets are realists. They recognize facts and respect strength.

To develop strength which is dedicated to the preservation of peace has been the unwavering policy of this Government ever since the Soviet Government revived its predatory purposes following World War II. It is the policy which underlies the Truman Doctrine—the President's resolute aid to Greece and Turkey announced in 1947. It is the policy which inspired the Marshall Plan, launched by General Marshall in 1948, for aid to the devastated nations of Europe—the plan which has matured into Eca, Point Four, and the Mutual Security Program. It is the policy which met Soviet force in Berlin with the great airlift in 1948. This policy produced the North Atlantic Treaty in 1949. It is the policy which underlies Secretary Acheson's program of "situations of strength"—the program charted in his Berkeley speech of March 16, 1950.² It is the same policy which enabled us to act swiftly and decisively, in cooperation with the vast majority of our fellow members of the United Nations, in defense of Korea when it was wantonly attacked on June 25, 1950. For, whether or not the battle in that stricken land comes to an early end, the masters of the Kremlin have already learned that aggression against even the weakest of nations does not pay—that a union of free and united nations is stronger than its strongest link. It is a lesson which we learned from Ben Franklin long ago, and it is, I think, the proof of our policy of meeting strength with strength.

Power of Free Nations Growing Stronger

This combined strength of the free nations—the bargaining power which is the essential prerequi-

site for genuine international peace—is growing day by day. I think the leaders of the Soviet Government know this; I think they know it because they do have a realistic understanding of power. I also think they know it because their policy—their "diplomacy," if you will—has been so desperately and unsuccessfully directed toward isolating us from the other free nations of the world. And if they know the pace at which our strength has grown and continues to grow, their knowledge will carry with it the realization that their day of easy conquest is past—that they cannot divide and conquer the free nations one by one.

What have been the concrete achievements of the policy and its manifestations to which I have referred?

Greece, aided by the Truman Doctrine, has thrown off the Communist-supported guerrilla attack, and both Greece and Turkey will, we expect, soon become joint partners in the North Atlantic Treaty Organization. The economic recovery of Western Europe under the Marshall Plan has beaten down the Communist attempt to capture those countries from within through local Communist parties. As announced week before last by the Foreign Ministers of the United States, the United Kingdom, and France, the way has been paved for Western Germany to take her equal place in the community of free nations as a partner in its defensive strength and growing prosperity. At Ottawa last week, the members of the North Atlantic community took further significant steps toward building its immediate strength and consolidating its long-range solidarity in political, economic, social, and cultural matters.

In Paris this spring at the meetings of the four deputies in the Palais Rose, the Russians learned that their efforts to drive a wedge between the United States, the United Kingdom, and France merely resulted in uniting us all the more firmly. This week, in conversations with Prime Minister de Gasperi, our long friendship with Italy is being further strengthened.

In the Far East, as a result of the triumphant diplomacy of the San Francisco conference, so ably prepared by John Foster Dulles, and guided with such distinction by Secretary Acheson, Japan will resume its place in the international community as a democratic, peace-loving, and peace-supporting member. Japan's readiness for this step is due not only to the efforts of its own people but to the magnificent leadership of General MacArthur. The security of the Pacific has been strengthened by pacts with the Philippines, and with Australia, and New Zealand. In Indochina, with assistance from us and under the brilliant generalship of a recent visitor to Washington, General de Lattre de Tassigny, France and the Associated States have checked the Communist aggression of Ho Chi Minh. In Korea, the United Nations have taught the Communist aggressors a bitter lesson and denied them the fruits of aggression.

² BULLETIN of Mar. 27, 1950, p. 473.

Above all, in the United Nations, the free nations have demonstrated over and over again their solidarity in the cause of peace and their rejection of the false and empty propaganda of the Soviets. They have agreed with us in refusing to allow the Chinese Communist aggressors to be seated in any of the 46 different U.N. bodies. They are working together in carrying out the Acheson Plan which was embodied in the General Assembly's resolution on "Uniting for Peace."

If the Soviet leaders study carefully this catalog of present and continuing achievement, they may learn much. Particularly, they would do well to ponder three principles which guide the policy of the free nations of the world:

1. The free nations cherish peace. But, deeply as we cherish peace, we cherish our freedom more. We will not be bullied, and, if attacked, we will fight to preserve our freedom.

2. Because we cherish peace, because we have no wish to impose our ways on others, and because we believe in and welcome peaceful settlements of international differences as the only lasting settlements, we reject the delusive remedy of preventive war.

3. To be prepared to defend our freedom, and to create that equal bargaining power which is the present prerequisite of any genuine settlement of international differences, we will, in concert with each other and in harmony with the principles of the United Nations, continue to strengthen the community of free nations.

Even if the Soviet leaders continue to hide behind their Iron Curtain, these principles will endure. And to these principles we may add a corollary, but this the Soviet leaders will find it harder to understand: The free nations count their ultimate strength not merely in planes, and ships, and tanks, but in their faith in people—faith in the full liberty and equal worth of each man and woman. As long as we maintain that faith, we are impregnable.

That faith will sustain us in the hard road that lies ahead of us.

For making peace is not a "push-button" matter. It takes sustained and patient effort.

We are now building the strength and unity of free men. If we continue this task with unflagging determination, I believe we can face the future with confidence.

Swiss Income Tax Convention Ratified

[Released to the press September 27]

According to information received from the American Legation at Bern, ratifications of the convention signed with Switzerland May 24, 1951,

regarding the avoidance of double taxation with respect to taxes on income were exchanged September 27, 1951.

The exchange of ratifications having taken place before October 1, under the terms of article XX (1) the convention becomes effective for taxable years beginning on or after January 1, 1951.

The convention will continue effective for a period of 5 years beginning with 1951 and indefinitely after that period, but may be terminated by either country at the end of the 5-year period, or at any time thereafter, provided that at least 6 months' prior notice of termination has been given.

The convention is designed to eliminate, so far as possible, double taxation with respect to income. The taxes referred to in the convention are (a) in the case of the United States, the Federal income taxes, including surtaxes and excess profits taxes; and (b) in the case of the Swiss Confederation, the federal, cantonal, and communal taxes on income (total income, earned income, income from property, industrial, and commercial profits, etc.).

The Senate gave its advice and consent to the ratification of the convention subject to a reservation which reads as follows: "The Government of the United States of America does not accept paragraph (4) of Article X of the Convention, relating to the profits or remuneration of public entertainers." Switzerland has accepted the reservation.

Friendship Treaty With Denmark

[Released to the press October 1]

A treaty of friendship, commerce, and navigation between the United States and Denmark was signed on October 1 at Copenhagen. Ambassador Eugenie Anderson signed for the United States and Ole Bjørn Kraft, Minister for Foreign Affairs, signed for Denmark. The event marks the first occasion in the history of American diplomacy where a woman as Ambassador has signed a treaty for the United States.

The new treaty supersedes the convention of Friendship, Commerce and Navigation, signed at Washington on April 26, 1826, which was the first treaty of any kind to be entered into between the United States and Denmark, and the only treaty dealing with general economic relations to have been concluded between the two countries up to the present time. Moreover, the convention of 1826, signed by Henry Clay as Secretary of State during the administration of John Quincy Adams, is the second major economic treaty in terms of length of existence and continuing force concluded by the U.S. Government; it is antedated only by the 1815 treaty with Great Britain.

Under the terms of the new treaty each of the two Governments (1) agrees to accord within its territories to citizens and corporations of the other, treatment no less favorable than it accords

to its own citizens and corporations with respect to normal industrial, commercial, and cultural pursuits; (2) formally endorses standards regarding the protection of persons, their property and interests that reflect the most enlightened legal and constitutional principles; (3) seeks to assist the private investor in such matters as the transfer of funds and management of business enterprises; and, (4) reasserts its adherence to the principles of nondiscriminatory treatment of trade and shipping.

The U.S. program for the negotiation of treaties of this type is an integral part of this country's policy for the furtherance of liberal principles of trade and economic relations in general, and particularly for creating throughout the world conditions favorable to economic development. The new treaty is the fifth to be concluded by the United States during the current year and the eighth since 1948; similar treaties have been concluded by the United States with Italy, Uruguay, Ireland, Colombia, Greece, Israel, and Ethiopia.

The new treaty is the first friendship, commerce, and navigation treaty to be entered into by the United States with a member of the North Atlantic community since the signing of the North Atlantic Treaty. The new treaty not only affirms and demonstrates the fundamental community of interest between the United States and Denmark but is a practical illustration of cooperation between NATO countries on nonmilitary objectives. The importance of this cooperation was stressed by Secretary Acheson on September 18 at the meeting of the North Atlantic Council at Ottawa and later attested in the Ottawa Declarations.

The Secretary said:

I think we can develop closer links in transportation and communications, and in the whole field of ideas. We can, I believe, anticipate an increased exchange of skills and experience between us in such matters as agriculture and industry.

There lie before us possibilities for the progressive development of closer economic collaboration and the development of opportunities for normal trade and investment.

Signatures to Torquay Protocol

TURKEY

[Released to the press September 17]

The Department of State has been informed that the Government of the Republic of Turkey signed on September 17 the Torquay Protocol to the General Agreement on Tariffs and Trade at the headquarters of the United Nations at New York. Under the provisions of the protocol Turkey will become a contracting party to the General Agreement on October 17, 1951, 30 days after signing the protocol. Turkey is the third of the governments which negotiated at Torquay for accession to the General Agreement, to sign the protocol. The Federal Republic of Germany was the first, and Peru the second.¹

Under the protocol U.S. concessions initially negotiated with Turkey at Torquay will go into effect on October 17, as will Turkish concessions initially negotiated with the United States.

In 1939 the United States and Turkey concluded a reciprocal trade agreement under the Trade Agreements Act of 1934 which will be replaced by the General Agreement after Turkey's accession to the latter instrument. Most of the commodities covered by the 1939 agreement were covered in the negotiations at Torquay.

Turkish concessions negotiated with the United States at Torquay apply to U.S. products which, in 1949, were imported into Turkey to the value of about \$28,038,000. Turkish customs duties on some of these items were reduced, and on others existing duties or duty-free treatment were bound. In addition to concessions initially negotiated directly with the United States, Turkey made concessions to other countries at Torquay which will apply to imports into Turkey from the United States.

The principal Turkish concessions apply to the following categories of articles: automotive products—both reductions and bindings of duties; machinery and electrical appliances—chiefly bindings of moderate rates, but with some substantial reductions; iron and steel products of various types; canned and dried prunes, and prune juice; canned asparagus; and cornstarch.

U.S. concessions initially negotiated with Turkey at Torquay apply to products which were imported into the United States from that country in 1949 to the value of about \$44,604,000, of which \$30,803,000 was accounted for by cigarette leaf tobacco. U.S. concessions which have been granted to other countries apply also to the products of Turkey.

In negotiations with Turkey at Torquay the United States granted tariff reductions on some

¹ BULLETIN of Sept. 24, 1951, p. 493.

items and bindings of existing duties or duty-free treatments on others.

Principal U.S. concessions initially negotiated with Turkey at Torquay apply to the following products: cigarette leaf tobacco, which in 1949 accounted for some 60 percent of all U.S. imports from that country, on which the duty was reduced from 20 cents to 15 cents per pound; licorice extract, duty reduced from 15 percent ad valorem to 12½ percent; opium, duty reduced by 50 percent (manufacture and distribution of all opium products in the United States is under the regulation of the U.S. Bureau of Narcotics); shelled filberts, duty-bound at pre-Torquay level of 8 cents per pound; chrome ore and licorice root, bound duty-free.

AUSTRIA

[Released to the press September 19]

The Department of State has been informed that the Government of Austria signed on September 19 the Torquay Protocol to the General Agreements on Tariffs and Trade, at the headquarters of the United Nations at New York. Under the provisions of the protocol Austria will become a contracting party to the General Agreement on October 19, 30 days after signing the protocol.

Austrian concessions initially negotiated with the United States at Torquay will become effective on the same date, as will those U.S. concessions initially negotiated with Austria which have heretofore been withheld.

Austrian concessions negotiated with the United States at Torquay apply to products of which Austria's imports from this country in 1949 were valued at about 58 million dollars. The principal items are fresh, dried, and canned fruit; grains; oilseeds and vegetable oils; miscellaneous foodstuffs and other agricultural products; chemicals and related products; textiles; rubber products; naval stores; petroleum products; industrial and office machinery; and electrical equipment.

At Torquay, Austria granted concessions to other countries which will apply also to products of the United States. The Austrian concessions included reductions and bindings in duties, and bindings of duty-free treatment.

U.S. concessions negotiated with Austria included reductions and bindings of duties and will apply to commodities of which 1949 imports from Austria into this country were valued at about \$6,500,000. The principal U.S. concessions were binding the existing duty on precious and semiprecious stones, which constitute the principal U.S. import item from Austria in 1949; reduction of one-third in the duty on dead-burned and grain magnesite and periclase; and binding the existing duties on wool-knit outerwear and other articles.

Concessions previously granted by the United

States to other countries will also apply to the products of Austria.

TCA Board Urges Emphasis On Adequate Food Supply

[Released to the press September 28]

A board of agricultural consultants to the Point Four Program urged the Technical Cooperation Administration on September 28 to exercise its authority under Public Law 535 to "secure unified planning and operation of technical cooperation programs."

The consultants, all authorities in the field of agriculture and rural life, also declared that Point Four should put "first emphasis" on developing an adequate world food supply, through the "grass roots" method of American farm extension agents.

Six members of the board met for 5 days this week at the offices of Henry G. Bennett, Technical Cooperation Administrator. They conferred with Clayton E. Whipple, chief of TCA's Food and Natural Resources Division, and other TCA staff members.

The board membership includes:

Harold B. Allen, New York City, Director of Education, Near East Foundation
Abner Bowen, Delphi, Ind., farmer and businessman
John H. Reisner, New York City, Agricultural Missions, Inc.
J. Stuart Russell, Des Moines, Iowa, Farm Editor, *Des Moines Register*
The Rt. Rev. L. G. Ligutti, Executive Secretary, *Catholic Rural Life*
William A. Schoenfeld, Corvallis, Oreg., Organization Consultant

The board recommended that the TCA program in Food and Natural Resources be directed toward an adequate world food supply through expansion of the production and utilization of food in the underdeveloped areas.

"We favor the grassroots approach in which extension-type specialists, both U.S. and indigenous personnel, work directly with rural people," the board said.

"Extension work should be given priority in extending technical assistance but utilizing experimental projects where needed to find out best varieties, types of seed, livestock, etc., and methods of production best suited to respective areas," the recommendations said.

Correction

In the BULLETIN of September 24, 1951, page 504, the head, "U.S. Proposes New Convention for Freedom of Information," should read "U.S. Opposes New Convention for Freedom of Information."

Present Conduct of Foreign Affairs Reflects Changing World Conditions

by James E. Webb,
Under Secretary of State¹

From newspapers and from the radio, it is easy to get the impression these days that almost all of our foreign relations are handled by Dean Acheson, or Mr. Acheson assisted by John Foster Dulles, and perhaps one or two others. But this is a dangerous oversimplification. At the seat of our Government in Washington, 73 missions are maintained by foreign countries for the purpose of doing business with the Government of the United States. In these 73 missions, foreign governments employ about 3,000 persons to do their business with us. We, ourselves, maintain overseas nearly 300 foreign missions through which we carry out the business of the United States in foreign lands and receive reports which permit us to take our actions on the basis of facts and not surmise. To tie this network of missions together and to supervise our foreign operations, the State Department maintains a world-wide system of rapid communications. In and out of the Department of State will go tonight, roughly a thousand cables important enough to put in our secret codes. This thousand cables will represent many more words that have to be encoded and decoded than will be handled in plain English in Washington by the Associated Press. In addition to this, the Department of State will handle this month over a quarter of a million other reports and documents.

Is there a problem important to an American citizen anywhere in the world? If so, it is very likely to be communicated through one of our overseas missions to one of our nine operating vice presidents in Washington, whose duty it is to see that the proper agency of the Government knows about it and takes appropriate action. Does a king or a prime minister desire to send an urgent message to the President? His ambassador calls on the proper Assistant Secretary or the Secre-

tary of State himself, who arranges for delivery of the message and for a prompt answer.

All of you know about the Voice of America, but I doubt if many of you realize that its operations are larger than NBC or CBS. While we are meeting here tonight, broadcasts are going out to every region of the world in more than 45 different languages. To guide those who prepare and give these broadcasts, most of which originate in New York, policy guidance directives are issued from our central headquarters in Washington every 4 hours so that what the world hears over the Voice of America is right up to date.

Prior to May of 1949, a little more than 2 years ago, the U.S. Government had never established an adequate legal foundation for the creation of a State Department which could do the job we need in the modern world. The present legal foundation was based on the work of the Commission on the Organization of the Executive Branch, of which Herbert Hoover was the chairman and Dean Acheson the vice chairman. Under it, in an unbelievably short time for such a major undertaking, President Truman and Secretary Acheson have created a State Department organized along the same simple lines as our best-managed business corporations.

Policy formulation and control have been *centralized*.

Operations under approved policy have been *decentralized*.

Just as our more progressive business corporations have developed cost and production control methods of supervision, we in the State Department have developed a most ingenious means of supervision through control of communications.

Although there are in the Department literally thousands of experts preparing materials for decision-making officers, and hundreds of officers making decisions every day in the field of foreign policy, the communications which implement these decisions are all channeled through a central con-

¹ Excerpts from an address made before the Executives Club at Raleigh, N. C., on Sept. 25 and released to the press on the same date.

trol and are matched against the central policy files of the Department every day. This means that every decision-making officer has continuously available to him the latest action taken by any official of our Government on any subject relating to the affairs of any country or region for which he has responsibility—whether in the field of economics, trade, agriculture, shipping, aviation, public health, telecommunications, education, military affairs, U.N. affairs, or diplomatic affairs. This means that when the President and the Secretary of State arrive at their desks the first thing in the morning, they have before them the text of every message implementing a decision which is either of sufficient importance for them to see, or which initiates a trend that is expected to require a new high-level policy decision. It also means that although operations are decentralized to a large number of decision-making officers who must deal every day with a vast array and variety of problems, the highest officials of the Government are constantly kept informed of decisions taken and are able to judge when new policies are required.

Complexities in Finding Correct Solutions to Foreign Policy Problems

If we may turn now from the complexities of organization to the complexities of finding the kind of solutions to our problems that will meet our needs and requirements, I think one thing will stand out. It is the hard fact of international life that right now all over the world freedom is under a serious threat.

When we Americans look out to the far international horizons, we face a world situation characterized by two clashing concepts of political and social organization. One is based on freedom; the other on totalitarianism. We see in every direction acts which force the inescapable conclusion that the fanatic doctrine of Soviet Communist imperialism is relentlessly driving to impose its absolute authority over all the peoples of the world.

We must remember that when the war ended in Europe, 6 years ago, the Soviet forces already occupied a whole series of European countries. Also, in those countries which had not been overrun by the Red army, circumstances were highly favorable to the Communist purpose of seizing power. In most of them the German occupation had disrupted the prewar pattern of political life and had damaged the confidence which people had in their former political institutions. Experience taught that there would normally be a wave of bitterness and restlessness in the immediate post-war period. Suspicion and hostility toward the exile governments had been assiduously sown and cultivated by Communist agitators. Their purpose was to make conditions as chaotic as possible. By penetrating into the underground resistance

movements, the Communists had placed themselves in an excellent position to act with telling effect. The large popular followings which they had amassed enabled them to participate in parliamentary governments when established. They could make favorable deals with non-Communist parties, use these connections to damage their non-Communist associates, invoke the influence of government, and distort its purposes to their own ends.

In these circumstances, it is a remarkable tribute to the brave people of these nations that Western Europe is today a citadel of freedom.

Collective Security Overcoming Soviet Pressure

For a period after the war, it seemed that none could withstand the ruthless Soviet pressure. Then came the turning point. First Iran, then Turkey, then Greece, felt the pressure and decided to resist. We Americans were able to help, and, in the process, we took the measure of the Soviet purpose and method. Others did likewise. To us, and to other peoples desperately seeking to establish a firm and lasting peace, Soviet actions were a rude shock, but ones that cleared the air. We and our friends went to work, and the results are known everywhere. The Marshall Plan has been a successful joint effort. The Organization of American States, the Western Union Treaty, the Council of Europe, the North Atlantic Treaty, the European Payments Union, the Schuman Plan—all these are important organized cooperative efforts. All of them have contributed to the laying of a foundation for the most important single concept affecting international life today. That concept is the concept of collective security.

I should like to consider with you the implications of this concept as I see them, but first, I think it is important to ask the question: "Why at the end of the war, in its weakened condition, did Europe resist and why did we help?" Following 1945 as the pattern of Soviet intentions and actions took shape, it became clearer that in the Soviet system every satellite is subservient to Moscow, and becomes an inferior state; that every individual is a pawn of the all-powerful Communist party masters. It also became clear that among these masters there was no respect for human dignity, no milk of human kindness, no restraint of law. Wherever this system spread its power, people who were not completely subservient were coerced, enslaved, imprisoned, or murdered. It was clear to the peoples of Europe and to us that aggressive imperialism had captured communism and had embarked on a campaign to impose on free peoples wherever it could the deadly apparatus of the police state.

What is that police state? In the U.S.S.R. every worker is required to have an internal passport, a labor book, and a paybook. The Government exercises absolute control over his job and

movements. He cannot change his job without permission. If he quits his job or is absent from work, he pays a stiff fine or serves months in a labor camp. Even to change his residence, a Soviet worker must get permission from the police and must register with the police within 24 hours after the move. The same iron rule applies when he wishes to visit another city—he checks in and out with the police at both points. He has practically no choice of where or at what he will work and almost no freedom of movement. He is told what to think in a continuous stream of skillfully planned propaganda. Except for the Voice of America, and other transmissions from the free nations, he lives in a darkness of ignorance about the outside world.

These are the facts of life in the Soviet "worker's paradise." These are the conditions of servitude imposed on a vast population to build up the Soviet Armed Forces and the international Communist apparatus.

Does anyone here believe that this Communist apparatus was not at the center of the conspiracy to launch aggression against the Republic of Korea last year?

If so, let me give you some figures. In 1945, some 3,700 North Koreans were enrolled in Soviet oriented cultural societies. By 1949 this number had been increased to over 1,300,000. During the 3-year period prior to 1948, some 770,000 copies of 72 Russian books were published in North Korea. In 1949 some 500 books were translated and large numbers of copies distributed. Numerous classes in the Russian language were organized. In 1948 almost 70,000 lectures and concerts were given in North Korea by Soviet artists, writers, and other cultural representatives. An even greater number were given in 1949. In the course of the 5-year period preceding hostilities, hundreds of intellectual, industrial, and political leaders from North Korea were taken to Moscow for indoctrination. Thus did Communist imperialism proceed to seduce a whole population for violent ends.

If the history of this century records the unleashing of vast forces of violence, revolutions, the collapse of empires, and the decline of imperial systems, it must also record the bringing into practical application of a new concept of international cooperation. In our relations with other nations, we Americans are showing by our actions that we are committed to this concept. We do this through the United Nations, the North Atlantic Treaty Organization, the Organization of American States, and now the four treaties signed this month in San Francisco. Last week at Ottawa, the NATO powers gave favorable consideration to a program which, subject to the necessary parliamentary approval, would bring Greece and Turkey into the pact. During the next few months we will take another major step toward bringing Western Germany back into the community of free nations. The foundation of

our policy is a belief that if the free nations of the world work together we can face the future with confidence. We have a deep and abiding faith that when we have overcome the threat of armed aggression the strength of our democratic institutions can make secure the blessings of liberty to ourselves and our posterity.

Democratic Action Achieved Within Constitution

The difficulty of finding in a democracy such as ours a formula which will permit the individual citizen to understand and accept as a part of his own way of life his proportionate share of the national self-interest required to support our necessary international arrangements is one of the most complex problems of our time. The acceptance by the citizen of this proportionate share becomes even more difficult as the scope of our international arrangements broadens to include many nations with widely varying systems of taxation, conscription, and the sharing of scarce commodities.

It is my suggestion that citizens make it a practice to examine carefully the facts put forward by the President in support of his proposal. This would constitute an important step in the direction of establishing a solid base of continuing public support for those actions which our best minds find most likely to advance our self-interest. These facts are always set forth in great detail in the three major Presidential messages which come every year at the beginning of the Congress. I refer, of course, to the message on the state of the Union, the economic report, and the budget message. No documents of government are more carefully put together or are more revealing to the citizen seeking facts as to what his government considers in his self-interest. None show better the role of the Executive in what our Government has become—a positive action democracy.

In the development of means to achieve democratic action within the framework of the Constitution, a large development of the staff agencies and procedures which assist the President has created around his office what students of government now call "the institution of the Presidency." The recommendations submitted by the President to the Congress are thus from many points of view institutional rather than personal recommendations. We all know that in the dramatics of modern politics it is the colorful personality which most often catches the public eye. Every official action becomes associated with the person taking it, and little attention is given the institutionalized staff agencies which have become indispensable to responsible Executive action. But it is only within the framework of facts, supported by the careful analysis of such institutionalized staff agencies as the Joint Chiefs of Staff in the Defense Department and the Policy Planning Staff in the State Department, that the

individual citizen can decide whether or not a suggested action deserves his support.

The important points I wish to make are that under the evolving practice of our constitutional form of government the responsibility for submitting programs and proposals to meet our needs rests with the Executive, and that the means for fulfilling this executive responsibility are constantly improving. The Congress reviews and approves, or modifies, every detail of these proposals. The complete program, particularly through the budget process, is available for study and analysis by every interested citizen. The ultimate responsibility rests with the citizen to make his influence felt in the decisions taken.

U.S. Invited to Study Malayan Tin Industry

[Released to the press September 18]

In the interest of a better understanding of Malayan tin production and marketing problems, the Malayan Government and the United Kingdom Government, acting on a resolution of the Federated Malay States, Chamber of Mines, have extended an invitation to the U.S. Government to send qualified representatives to Malaya for first-hand observation of the local tin industry.

The United States has accepted this invitation but because of the International Tin Study Group meeting scheduled in Rome beginning September 24, a mission cannot be properly staffed and ready to depart until late October. The U.S. group will be composed of qualified officials from Government agencies.

Canada Offers To Construct St. Lawrence Seaway

[Released to the press by the White House September 28]

The following announcement was made subsequent to a White House conference on September 28 between Prime Minister Louis St. Laurent of Canada and President Truman:

The President and the Prime Minister discussed the St. Lawrence project. They agreed on the vital importance to the security and the economies of both countries of proceeding as rapidly as possible with both the seaway and the power phases of the project. They explored the matter of the next steps to be taken in achieving the early construction of the project. They both agreed that it would be most desirable to proceed along the

lines of the 1941 agreement between the United States and Canada.

The Prime Minister informed the President of the needs of Ontario for power and of the arrangement the Canadian Government could make with the Government of that Province for its participation with the appropriate Federal or State authority in the United States for the power development. In these circumstances the Prime Minister indicated the Canadian Government would be willing to construct the seaway as a Canadian project if it is not possible to have the joint development undertaken on the basis of the 1941 agreement.

The President expressed his strong preference for joint action on the seaway and his hope that the Congress would soon authorize such action, but stated he would support Canadian action as second best if an early commencement on the joint development does not prove possible.

U.S. Urges Aid for Brazilian Rehabilitation Program

[Released to the press September 27]

The Department of State has been advised by the Brazilian Embassy that the Minister of Finance in Brazil, His Excellency Horacio Lafer, upon his return to Rio de Janeiro, after a visit to Washington, issued the following statement:

The Brazilian Finance Minister, Dr. Horacio Lafer, came to Washington to attend the meeting of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development. During his stay in Washington he had the opportunity to communicate, in clear and precise terms, to the U.S. Government and other officials concerned with financial matters, the steps which are being taken in Brazil in order to implement the plan of National Rehabilitation and Reequipment set up by President Getulio Vargas. The plan is being thoroughly studied and fully developed in the Joint Brazil-United States Commission. The steps taken are within the spirit of President Truman's Point Four.

The Minister of Finance had the opportunity to explain and discuss the steps which have been studied in Brazil, and which have been submitted for approval to the appropriate Brazilian authorities concerned for the purpose of meeting the requirements of this plan. The financing of this plan, on the Brazilian side, will require about 10 billion cruzeiros during a 5-year period. The communication of the steps taken and the requirements needed, presented by the Minister of Finance, received special consideration by the officials of the World Bank, as well as the U.S.

authorities in Washington, including the Export-Import Bank. They welcomed the information given by the Minister of Finance concerning the decision of the Brazilian Government to provide the necessary cruzeiro funds for these purposes through special legislation to mobilize internal financial resources. The Brazilian Government will shortly make a formal announcement on this subject.

The World Bank, as well as the Export-Import Bank within its particular sphere of activity, are greatly interested in this program. The managements of these institutions expressed their interest and willingness to provide the needed amounts in foreign currencies for the implementation of projects included in the plan and approved by the Bank concerned, with the understanding that all projects submitted would have the prior study and recommendation of the Joint Brazil-United States Commission.

The Joint Commission, as a result of its preliminary studies, is recommending that first priority be given to a program to attend to the most urgent rehabilitation needs of the ports and railroads of Brazil. This program, which is the first step of the over-all transport development program of the Commission, may reach a cost equivalent to 4 billion cruzeiros, including the amount needed in foreign currencies.

The management of the World Bank, and the management of the Export-Import Bank with respect to the particular elements of the program that affect its operations, also share the opinion that this program deserves high priority, and have therefore given assurances that foreign currencies which will be a substantial part of the total cost will be available to cover the external cost of any individual projects within this program which are recommended by the Joint Commission and approved by the Bank concerned as being sound and productive.

Argentine Dollar Obligations To Be Liquidated

The Export-Import Bank of Washington and the Special Commission of the Central Bank of Argentina—which acts for the consortium of Argentine commercial banks in connection with the credit which the Export-Import Bank established to liquidate dollar commercial obligations of Argentina—announced on September 25 that the commission will continue its activities in liquidating such obligations from Buenos Aires beginning October 1. At the same time, it was made known that the Export-Import Bank had extended its authorization for making payments under the credit until December 31, 1951.

This decision has been made in view of the fact

that the great bulk of the obligations which are to be liquidated from the proceeds of the credit have now been paid.

Accordingly, beginning as of October 1, all claims of the banks and creditors of the United States should be addressed directly to the

Comisión Especial
Banco Central de la Republica Argentina
Reconquista 266
Buenos Aires (Republica Argentina)

The remaining obligations which are eligible for liquidation under the credit will be certified for payment by the commission to the Export-Import Bank in accordance with the procedures which have been followed up to date and which were made known in the press release of November 13, 1950.

New Transmitter Project To Combat Kremlin Aggression

by Edward W. Barrett
*Assistant Secretary for Public Affairs*¹

The best estimates today indicate that we are being heard by a majority of the radio-set owners in the satellite countries. While we were almost jammed out of Russia 18 months ago, we are now getting more than 20 percent of our broadcasts through to Moscow and 60 percent through the smaller cities and rural areas in Russia. In Russia, by the way, there are about 4 million receiving sets that can hear the Voice of America. More important, we have learned that expenditures for the construction of mammoth new transmitter facilities can force the Russians either to let the truth through or practically to go broke in the effort to keep it out.

I can state now that we are presently constructing five transmitters which will be several times more powerful than any transmitter now in existence anywhere. The exact power is secret, but I can say that one of them will be located in the State of North Carolina. Another will be in the State of Washington. The other three will be overseas.

A recent study by top scientists in this country has shown us that by building certain new types of transmitter facilities we can force the Russians to spend five to one in terms of manpower and dollars if they are going to keep us from being heard.

That is why we have high hopes of going back to the Congress in the near future with a request for approval of a vast new transmitter project. As you know, the Congress has given us the bulk

¹ Excerpts from an address made before the Southern Newspaper Publishers Assn. at Hot Springs, Ark., on Sept. 25 and released to the press on the same date.

of the operating funds we need, but it turned down a preliminary request for large-scale expansion of our transmitter facilities. Those plans have now been reviewed again by some of the best technical brains in the country and enthusiastically endorsed by a committee from the radio industry. With this support, we believe the Congress will not fail to see the wisdom of going ahead with this large program. While it is unprecedented in cost and in scope, we must remember that the total program will cost less than the amount needed today to build one battleship.

There are those who say we should not be too prim and proper about sticking to the truth. I disagree and I disagree violently with that.

Truth can be used—and is being used—around the world to show up the essentially vicious, phony, and truly reactionary nature of Communist imperialism.

Truth can be used—and is being used—to encourage other free nations to cooperate with us—by our showing up the Soviet lies about us and by demonstrating that we are a decent and honest nation whose physical strength and moral strength can be counted on.

Truth can be used—and is being used—to help build a spirit of unity, and spunk, and determination, among all the nations of the free world.

Truth can be used—and is being used—to build up behind the Iron Curtain every possible obstacle to Kremlin aggression. Truth is being used to give hope to the satellite peoples and to the Russian peoples themselves, to make them go slow in cooperating with their masters in aggressive plans, to make them realize that the way of freedom is bound to win out in the long run.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

The Department of State Today. Department and Foreign Service Series 18. Pub. 3969. 33 pp. 15¢.

Booklet describing the foundations and functions of the Department of State.

Customs Concessions on Automobiles. Treaties and Other International Acts Series 2178. Pub. 4112. 3 pp. 5¢.

Provisional agreement between the United States and Chile—Effectuated by exchange of notes signed at Santiago April 9, 1949.

Anthropological Research and Investigation, Cooperative Program in Colombia. Treaties and Other International Acts Series 2179. Pub. 4113. 7 pp. 5¢.

Agreement between the United States and Colombia—Effectuated by exchange of notes signed at Bogotá Nov. 20 and 24, 1950.

Exchange of Official Publications. Treaties and Other International Acts Series 2180. Pub. 4114. 4 pp. 5¢.

Agreement between the United States and Costa Rica—Effectuated by exchange of notes signed at San José Nov. 30 and Dec. 2, 1950.

Education, Cooperative Program in Bolivia. Treaties and Other International Acts Series 2181. Pub. 4115. 6 pp. 5¢.

Agreement between the United States and Bolivia—Effectuated by exchange of notes signed at La Paz Aug. 1, 1947, and May 16, 1949.

Mutual Defense Assistance. Treaties and Other International Acts Series 2187. Pub. 4121. 16 pp. 10¢.

Agreement, with annexes, between the United States and Portugal—Signed at Lisbon Jan. 5, 1951; entered into force Jan. 5, 1951.

Termination of Reciprocal Trade Agreement of March 28, 1935. Treaties and Other International Acts Series 2189. 2 pp. 5¢.

Agreement between the United States and Haiti—Signed at Port-au-Prince Dec. 29, 1949.

Health and Sanitation, Cooperative Program in Bolivia. Treaties and Other International Acts Series 2191. 3 pp. 5¢.

Agreement between the United States and Bolivia—Effectuated by exchange of notes signed at La Paz Sept. 18 and Oct. 7, 1950.

Air Transport Services. Treaties and Other International Acts Series 2196. Pub. 4142. 2 pp. 5¢.

Agreement between the United States and Ecuador, amending agreement of Jan. 8, 1947—Effectuated by exchange of notes signed at Washington Jan. 3 and 10, 1951.

Economic Cooperation With Denmark Under Public Law 472—80th Congress, as Amended. Treaties and Other International Acts Series 2218. Pub. 4181. 2 pp. 5¢.

Agreement between the United States and Denmark—Effectuated by exchange of notes signed at Copenhagen Feb. 2 and 9, 1951.

Automobiles Customs Concessions. Treaties and Other International Acts Series 2222. Pub. 4187. 4 pp. 5¢.

Provisional agreement between the United States and Chile—Effectuated by exchange of notes signed at Santiago Nov. 18 and Dec. 8, 1950.

Technical Cooperation. Treaties and Other International Acts Series 2226. Pub. 4192. 8 pp. 5¢.

Agreement between the United States and the Dominican Republic—Effectuated by exchange of notes signed at Ciudad Trujillo Feb. 20, 1951.

Technical Cooperation. Treaties and Other International Acts Series 2231. Pub. 4202. 8 pp. 5¢.

Agreement between the United States and Colombia—Effectuated by exchange of notes signed at Bogotá Mar. 5 and 9, 1951.

(Continued on page 599)

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

U.K. Requests U.N. Action in Iranian Controversy

LETTER FROM U.K. REPRESENTATIVE TO SECURITY COUNCIL

U.N. doc. S/2357
Sept. 29, 1951

The following is the text of a letter, dated September 28, from J. E. Coulson, U.K. Deputy Permanent Representative, to Dr. Ales Bebler of Yugoslavia, President of the Security Council, and to the Secretary-General:

In accordance with instructions received from His Majesty's Government in the United Kingdom I have the honour to request that the following item be placed on the provisional agenda of the Security Council: "Complaint of failure by the Iranian Government to comply with provisional measures indicated by the International Court of Justice in the Anglo-Iranian Oil Company case." 2. It will be recalled that the International Court of Justice, acting under Article 41 paragraph 2 of its statute, notified the Security Council of the provisional measures indicated by the Court on July 5th 1951, at the request of the Government of the United Kingdom in the Anglo-Iranian Oil Company case. The United Kingdom's request to the court for the indication of provisional measures was based on the contention that the actions of the Iranian authorities threatened to bring the whole process of oil production and refining to a standstill in circumstances calculated to cause irreparable damage to the oil producing and refinery installations and seriously to endanger life and property and cause distress to the areas concerned. The findings of the court constituted an implicit recognition of the accuracy of this contention. The United Kingdom Government at once publicly proclaimed their full acceptance of the Court's findings and so informed the Government of Iran, but the Government of Iran rejected these findings and have persisted in the course of action, including interference in the Company's operations, which led the United Kingdom Government to apply to the Court for interim measures. More-

over the Government of Iran have now ordered the expulsion of all the remaining staff of the Company in Iran and this action is clearly contrary to the provisional measures indicated by the Court.¹

3. His Majesty's Government in the United Kingdom are gravely concerned at the dangers inherent in this situation and at the threat to peace and security that may thereby be involved. In view of the fact that the expulsion order issued by the Government of Iran is scheduled to take effect by Thursday October 4th, I have the honour to request that the Council should consider this matter as one of extreme urgency and I would ask that a meeting of the Council be called for the morning of Monday October 1st. Since His Excellency Ambassador Muniz will be the President of the Security Council on that date, I am sending a copy of this letter to him.

4. In order to facilitate speedy discussion of this question, I have the honor to enclose a draft resolution which Your Excellency will no doubt be good enough to have circulated at once.

TEXT OF U.K. DRAFT RESOLUTION

U.N. doc. S/2358
Sept. 29, 1951

WHEREAS the International Court of Justice, acting under Article 41, Paragraph 2, of its statute, notified the Security Council of the provisional measures (the text of which is annexed hereto) indicated by the Court on July 5th 1951 at the request of the Government of the United Kingdom in the Anglo-Iranian Oil Company case; and

WHEREAS the United Kingdom's request to the Court for the indication of provisional measures was based on the contention that the actions of the

¹ The refinery at Abadan was seized by Iranian soldiers Sept. 27, a move which carried out the threat voiced by Prime Minister Mosadeq in his message of Sept. 12 to Ambassador Harriman; see BULLETIN of Oct. 1, 1951, p. 547.

Iranian authorities threatened to bring the whole process of oil production and refining to a standstill in the circumstances calculated to cause irreparable damage to the oil producing and refinery installations and seriously to endanger life and property and cause distress to the areas concerned and the findings of the Court constituted an implicit recognition of the accuracy of this contention; and

WHEREAS the United Kingdom Government at once publicly proclaimed their full acceptance of the Court's findings and so informed the Government of Iran but the Government of Iran rejected these findings and have persisted in the course of action (including interference in the Company's operations) which led the United Kingdom to apply to the Court for interim measures; and

WHEREAS the Government of Iran have now ordered the expulsion of all the remaining staff of the Company in Iran and this action is clearly contrary to the provisional measures indicated by the Court:

THE SECURITY COUNCIL

Concerned at the dangers inherent in this situation and at the threat to peace and security that may thereby be involved:

1. *Calls upon* the Government of Iran to act in all respects in conformity with the provisional measures indicated by the Court and in particular to permit the continued residence at Abadan of the Staff affected by the recent expulsion orders or the equivalent of such staff:

2. *Requests* the Government of Iran to inform the Security Council of the steps taken by it to carry out the present resolution.

Annex

Provisional measures indicated by the International Court of Justice on July 5th, 1951.

THE COURT

Indicates, pending its final decision in the proceedings instituted on May 26th, 1951, by the Government of the United Kingdom of Great Britain and Northern Ireland against the Imperial Government of Iran, the following provisional measures which will apply on the basis of reciprocal observance:

1. That the Iranian Government and the United Kingdom Government should each ensure that no action is taken which might prejudice the rights of the other Party in respect of the carrying out of any decision on the merits which the Court may subsequently render;

2. That the Iranian Government and the United Kingdom Government should each ensure that no action of any kind is taken which might aggravate or extend the dispute submitted to the Court;

3. That the Iranian Government and the United Kingdom Government should each ensure that no measure of any kind should be taken designed to hinder the carrying on of the industrial and commercial operations of the Anglo-Iranian Oil Company, Limited, as they were carried on prior to May 1st, 1951

4. That the Company's operations in Iran should continue under the direction of its management as it was constituted prior to May 1st, 1951, subject to such modifications as may be brought about by agreement with the Board of Supervision referred to in paragraph 5;

5. That, in order to ensure the full effect of the preceding provisions, which in any case retain their own authority, there should be established by agreement between the Iranian Government and the United Kingdom Government a Board to be known as the Board of Supervision composed of two Members appointed by each of the said Governments and a fifth Member, who should be a national of a third State and should be chosen by agreement between these Governments, or, in default of such agreement, and upon the joint request of the Parties, by the President of the Court.

The Board will have the duty of ensuring that the Company's operations are carried on in accordance with the provisions above set forth. It will, *inter alia*, have the duty of auditing the revenue and expenses and of ensuring that all revenue in excess of the sums required to be paid in the course of the normal carrying on of the operations and the other normal expenses incurred by the Anglo-Iranian Oil Company, Limited, are paid into accounts at banks to be selected by the Board on the undertaking of such banks not to dispose of such funds except in accordance with the decisions of the Court or the agreements of the Parties.

Goals Accomplished at Recent Conferences

Remarks by Secretary Acheson at News Conference

[Released to the press September 26]

Since we last met here, the United States and other nations working for peace and freedom have been engaged in considerable diplomatic activity. It may be useful, therefore, to recapitulate briefly the facts of what we have been doing and where we are heading.

In San Francisco we demonstrated that the overwhelming majority of the nations of the world are earnestly working for peace, know how to make it, and are willing to adjust differences in order to reach the common goal. Those who attempted to prevent this achievement clearly demonstrated, on the other hand, that while they speak of peace, they do not really want it and will, in fact, do everything they can to prevent it.

In the Conference of Foreign Ministers in Washington, the United States, the United Kingdom, and France further cemented their unity in creating the situations of strength, without which diplomatic efforts would be largely ineffective.

Further progress on this realistic road to peace was made in the NATO Council meeting in Ottawa where, among other things, we recommended the inclusion of Greece and Turkey in NATO, tightened the North Atlantic Treaty Organization, emphasized the nonmilitary objectives of NATO, and set up a committee to study the total requirements and total resources of this great alliance which provides such a hopeful bulwark against further aggression in Europe and the Near East.

We fully expect to make further progress along this road in two other major diplomatic meetings immediately ahead—the sixth General Assembly in Paris and the NATO Council in Rome.

In summary, I believe that in this series of meetings we have accomplished three principal things:

We have further cemented the *unity* of the free world in the pursuit of peace and freedom.

We have further increased the *confidence* of the free world in its ability to achieve these objectives.

We have made further *progress* toward these goals.

I want to say finally that no one—and no nation—should misjudge our purpose or our method. Our purpose is peace with freedom and justice. Our method, as I have said before, is to build those situations of strength which are essential to the achievement of our purpose. This is based on our conviction that the desire for peace is not enough; the free world must also have the strength to enforce peace.

Recent International Discussions on Cotton

by Lester E. Edmond

Two intergovernmental conferences devoted to consideration of international cotton developments and problems convened in 1951: the tenth plenary meeting of the International Cotton Advisory Committee met from February 1-9, at Lahore, Pakistan;¹ and the Cotton-Cotton Linters Committee of the International Materials Conference convened at Washington on March 5.

International Cotton Advisory Committee

The International Cotton Advisory Committee (ICAC), whose membership consists of 28 of the major cotton producing and consuming nations of the world, is an advisory and fact-finding organization designed to promote cooperation in the solution of international problems affecting cotton. Its continuing objectives are to furnish information regarding the current world cotton situation and to formulate recommendations and suggestions for international collaboration in studying and dealing with world cotton problems.

The ICAC, which is the outgrowth of an international cotton meeting held in September 1939, has, in its relatively short existence, seen considerable fluctuation in the cotton supply and demand situation. The period of large cotton surpluses and depressed prices, in which the committee was born, gave way to one of threatened

shortages and high prices in 1947-48. By 1949-50, however, the rapid rise in world cotton production had caused the supply to exceed the demand again by a substantial margin. In the following year, another complete reversal took place, and between the time of the ninth plenary meeting in May 1950, and the tenth in February 1951, the world found that the cotton surplus had disappeared and that a severe cotton shortage was in prospect. This situation was in large measure due to an extraordinary coincidence—a sharply reduced cotton crop in the United States, compared with the levels of previous years, came at a time when world cotton consumption as a result of the outbreak of fighting in Korea far surpassed any previous pre-World War II or postwar level.

The major concern of those attending the ninth plenary meeting in May 1950 was the then increasing world surplus of cotton as compared with the effective world demand. Evidence of this concern is found in some of the resolutions adopted by the ninth meeting. For example, Resolution XII, paragraph B, of the ninth plenary meeting called for the Standing Committee to follow developments in the balance-of-payments situation as it affected cotton and to report on the matter at the tenth plenary meeting. Paragraph F of the same resolution called for the Standing Committee to consider certain intergovernmental measures relating to commodity agreements with specific reference to cotton and to report to the tenth plenary meeting.² In both of the above cases the Secretariat was instructed to prepare studies for consideration of the Standing Committee.

The sudden change from a surplus condition to one of world deficit in cotton is evident from the nature of the problems considered at the tenth plenary meeting as compared with those considered at the ninth. Resolution IX of the tenth

¹ Member governments which participated in the tenth plenary meeting were Argentina, Australia, Belgium, Brazil, Canada, Denmark, Egypt, Finland, France, the Federal Republic of Germany, India, Italy, Japan, the Netherlands, Pakistan, Spain, Sweden, the United Kingdom, and the United States. Member governments which did not participate were Anglo-Egyptian Sudan, Austria, China, Greece, Mexico, Peru, the Philippines, and Turkey. The following nonmember governments were observers at the meeting: Indonesia, Iran, Iraq, Poland, Switzerland, Syria, and Yugoslavia. (Switzerland became a member of the ICAC following the tenth meeting.) An observer from the Organization for European Economic Cooperation was also present.

² For text of this and other resolutions of the ninth plenary meeting, see BULLETIN of July 24, 1950, p. 146.

meeting, referring to the Secretariat's report *Cotton and the Balance of Payments*, noted that the dollar situation of certain countries had considerably improved during the second half of 1950 and requested the Standing Committee to keep the situation under review and to report to the eleventh plenary meeting in the event of significant deterioration.³ Resolution X referred to the Secretariat's report, *Consideration of Intergovernmental Commodity Arrangements in Relation to Cotton*, and chapter VI of the proposed charter of the International Trade Organization and asked the Secretariat to continue its studies and research into the question of commodity agreements with the objective of preparing data which might be needed for further study. These data would include statistical information and consideration of the problem of buffer stocks in cotton. Resolution XI requested the Secretariat, under supervision of the Standing Committee, to call to the attention of various United Nations agencies, and other international agencies concerned with technical and financial aid, the benefits that would result from the immediate promotion of increased yields in cotton production in underdeveloped countries.

A special subcommittee considered the problem of export taxes on cotton. Although the subcommittee recognized that the imposition of fiscal measures was the prerogative of governments, delegates from many importing countries expressed grave concern that the levy of such taxes, by increasing the price of cotton, impaired the regular flow of cotton and cotton goods, as well as good will in the cotton trade. The aggravating effect of export taxes on cotton price fluctuations, resulting from the addition of a further unstable element in the cotton price structure, was also stressed. On the other hand, delegates of some of the producing countries said that export taxes should not be considered responsible for the increased prices of the 1950-51 season. Export taxes, they said, had been imposed because cotton prices had previously risen to such high levels as to make the imposition of taxes necessary to avoid or suppress inflation in certain cotton-exporting countries.

Other resolutions pertained to the organization and finances of the ICAC and to the problem of increasing the efficiency of the operation of the Committee's informational and statistical functions in order to enhance the benefits derived from them by recipients. It was recommended that member governments establish a national coordinating agency or designate an existing office as liaison to the International Cotton Advisory Committee Secretariat and that specified information

³For text of resolutions of the tenth meeting, see *Proceedings of the Tenth Plenary Meeting of the International Cotton Advisory Committee*, published by the International Cotton Advisory Committee, South Agriculture Building, Washington, D.C., \$2.00.

be made available to the Secretariat on a regular basis. A request was made that member governments improve cotton-price data in conjunction with a recommendation that governments of cotton-exporting countries publish weekly f.o.b. prices of their principal qualities and/or varieties.

A work program was established for the Secretariat to consist of the regular publication of the *Monthly Review of the World Cotton Situation* and the *Statistical Bulletin*, and, insofar as feasible, of five special studies, as follows:

- (1) A special study of world cotton prices, with attention to the availability and reliability of cotton-price data, ways and means of improving these data, and factors affecting the price of cotton.
- (2) Analysis and comparison of national statistical procedures, giving particular attention to statistics of cotton production, consumption, and stocks, with a statement of the views of the Secretariat as to which procedures are preferable.
- (3) The preparation and publication of a reference book of world cotton statistics.
- (4) A study of the potentialities of man-made fibers as a substitute for meeting the world fiber shortages, and as a competitor of cotton when cotton supplies become adequate.
- (5) A comparison of the various growths of cotton with respect to staple length, grade standards, and spinning qualities in order to provide the basis for a better understanding of price differentials.

It was also recommended that the International Cotton Advisory Committee cooperate to the fullest extent with the Cotton-Cotton Linters Committee of the International Materials Conference in providing information and statistics, so that duplication and unnecessary expense might be avoided.

Cotton-Cotton Linters Committee, International Materials Conference

The International Materials Conference (IMC) was formed to help solve the critical problems facing the nations of the free world resulting from the world-wide shortages existing in many commodities.⁴ On January 12, 1951, the Governments of the United States, the United Kingdom, and France announced that they had agreed that proposals should be made to other interested governments for the creation of a number of standing international commodity groups, representing the governments of producing and consuming countries throughout the free world which have a substantial interest in the commodity concerned. At the present time seven commodity committees are in existence, one of which is the Cotton-Cotton Linters Committee.

Thirteen countries are members of the Cotton-

⁴For an article on the International Materials Conference see BULLETIN of July 2, 1951, p. 23.

Cotton Linters Committee. These are Belgium (representing Benelux), Brazil, Canada, France, the Federal Republic of Germany, India, Italy, Japan, Mexico, Peru, Turkey, the United Kingdom, and the United States. The terms of reference for all the Imc committees state that their purpose is to consider and recommend, or report to governments concerned, specific action which should be taken in order to expand production, increase availabilities, conserve supplies, and assure the most effective distribution and utilization of supplies among consuming countries.

The Cotton-Cotton Linters Committee convened on March 5, 1951, and by March 15 completed its first set of meetings. The committee surveyed the 1950-51 world cotton situation and the prospects for the 1951-52 cotton year on the basis of the data submitted by participating governments and by the Secretariat of the International Cotton Advisory Committee. Although the Cotton-Cotton Linters Committee noted the improved prospects for the 1951-52 world cotton supply, it invited all interested governments to submit to the committee comprehensive statistics and other relevant information to enable it to make a detailed study of the position in cotton and cotton linters. Little could be accomplished with respect to the distribution of the 1950-51 cotton supply since the cotton year was 7 months old at the time of the convening of the Cotton-Cotton Linters Committee. The committee therefore recessed, pending the submission of the statistics and information by the interested governments and the summarization of the returns by the Secretariat.

On June 18 the committee reconvened and since that time has completed an examination of the prospective 1951-52 raw cotton situation. On the basis of the available data, the committee, on August 15, concluded that the supply situation had improved sufficiently so that no special international action affecting the distribution of cotton and cotton linters was necessary at that time. The principal factor in the committee's decision was the official cotton report of the United States on August 8, which indicated a crop of 17,266,000 bales (of 500 pounds gross weight) as compared with the exceptionally small crop of 10,012,000 bales last season. However, the Cotton-Cotton Linters Committee is keeping its organization intact and will be prepared to resume activity if, in the future, such action appears to be necessary or desirable.

No inconsistencies are involved in the activities of the International Cotton Advisory Committee and the Cotton-Cotton Linters Committee of the International Materials Conference. The latter body, under its terms of reference, is concerned with immediate problems of raw material shortages and would consider long-term measures only if a long-term shortage were to threaten. Its view that no international action is necessary at this time to affect the distribution of cotton and cotton

linters is taken from its own special standpoint and is predicated on a finding that these commodities are not now in short supply. The ICAC, on its part, is concerned with basic long-term problems of countries primarily interested in cotton as producers and exporters, as well as with the problems of countries that are primarily importers and consumers; and its field of interest is necessarily much broader than that of shortages. It is an interesting fact that all governments participating in the Cotton-Cotton Linters Committee of the Imc are members also of the ICAC. The two committees cooperate effectively, and the ICAC with its large fund of statistical data and its well-established channels of information has been able to lend invaluable assistance to the Cotton Committee of the Imc.

In normal years, nearly half of the world's cotton exports are supplied by the United States. As a result, many countries look to the United States for their supplies of cotton while, on the reverse side of the coin, this country finds it necessary to export a very substantial portion of its annual production if the cotton sector of the economy is to be maintained on a healthy basis. With the United States so deeply involved in the world cotton picture, this country will continue to play an active role in international discussions concerning cotton.

● *Mr. Edmond, author of the above article, is an international economist on the Agricultural Products Staff, Office of International Materials Policy. The article had the benefit of review and comment by Arthur W. Palmer, head of the Cotton Division, Office of Foreign Agricultural Relations, Department of Agriculture.*

Korean Armistice Negotiations

Message from U.N. Commander to Communist Commanders

General Matthew B. Ridgway on September 27 sent the following message to the Communist commanders:

Since your liaison officers have stated they are not authorized to discuss or arrange satisfactory conditions for resumption of armistice talks, I submit the following proposal directly to you. I believe this proposal provides for arrangements that can be mutually satisfactory to both our sides.

I propose that both delegations meet as early as possible at a place approximately midway between the battle lines in the vicinity of Songhyon-ni.

It would, of course, be agreed by both sides that this meeting place would be kept free of armed troops and that both sides would abstain from any hostile acts or exercise of authority over members of the other side in their passage to this point or while they are there.

I propose that upon resumption of delegation meetings at this place both delegations be prepared to return to the discussion of item two of the agenda immediately following any discussion that may be needed to clarify physical and security arrangements at the meeting place.

If you concur I will arrange to have our liaison officers meet to discuss immediate erection of the necessary physical facilities.

U.N. Ground Commander Reports on Summer Campaign

Lt. Gen. James A. Van Fleet issued the following statement at Eighth Army Headquarters in Korea on September 30:

As commanding general of the Eighth Army, responsible for the United Nations forces in Korea, I feel that an informal report both to my command and to the peoples of the free world, is essential at this time.

On 25 September, 1951, United Nations forces concluded a summer's limited objective campaign against Communist aggression. This campaign phase, following our successful spring counter-offensive extended from 25 May, 1951, to 25 September, 1951. As of this date, we launched our autumn offensive. Whether this effort will be limited or otherwise, I am not at liberty to say.

My basic mission during the past four months has been to destroy the enemy so that the men of the Eighth Army will not be destroyed. During the Kaesong conference, there was at no time any positive assurance of an immediate cease-fire. Consequently each loaded enemy weapon was a definite threat to the Eighth Army.

It was imperative that we knock out as many of these weapons as we could find.

On 25 May, 1951, we had established ourselves solidly as the repeller of aggression. Between the date of that victory and 25 September, 1951, we have been chewing successfully at his vitality. There are a number of reasons why we didn't pursue the Communist aggressor and finish him off in the early months of summer. Foremost, the enemy at that time, if we had continued full-scale United Nations pressure, could have withdrawn to his Manchurian sanctuary, recouped at his leisure and then returned to spill his violence on the Eighth Army. Rather than march to the banks of the Yalu and dig in for inevitable attack, we found it far more profitable during the summer months to punish his ranks, his communications and supply lines midway in Korea.

It was imperative that the Eighth Army remain active to forestall the dreaded softening process of stagnation. A "sit-down" army is subject to collapse at the first sign of an enemy effort. An army that stops to tie its shoestrings seldom regains the initiative essential to effective combat. As commander of the Eighth Army, I couldn't allow my forces to become soft and dormant. I couldn't let them slip into a condition that eventually would cause horrendous casualties. So the Eighth Army kept needling the enemy with limited objective attacks.

While these attacks served further to cripple the Communist aggressor, United Nations forces were working at their trade. Day by the day they were absorbing new lessons and gradually learning the profession of fighting—a profession they had to learn to do properly the job assigned.

Week by week, as new men replaced rotated veterans, the Eighth Army was utilized more and more as a combat school. The system of rotation has provided us with thousands of veterans at home, while here in Korea the replacements are steadily assuming the poise that attends combat experience. We are a far superior army today than we were last spring or a year ago.

In prodding the enemy in the deep belly of the peninsula, we have suffered casualties. To me they represent a personal as well as a military loss. We suffered many of these casualties in taking hills which on the surface appeared minor in significance. These hills demanded upward steps—steps courageously made in June, July, August, and September—steps that trampled the Communist timetable.

It was militarily essential to take these hills to deny the enemy commanding terrain in close proximity. It was mandatory that we control the high ground features so that we would look down the throats of the enemy and thereby better perform our task of destruction. It was paramount that we keep the enemy off balance during our limited offensive so that he couldn't close in, build up at our doorstep and then plunge into our lines.

In seizing these hills, we lost men but, in losing a comparative few, we saved other thousands. As we open our autumn campaign, the enemy potential along the front line has been sharply reduced by our hill-hopping tactics. United Nations forces have punched him off balance and he has never regained the equilibrium essential to a sound, methodical buildup operation.

The Communist forces in Korea are not liquidated, but they are badly crippled. Evacuated enemy casualties inflicted by ground action alone during the period 25 May to 25 September, total 188,237. For every man we lost, killed and wounded, the enemy paid dearly. In four months, he suffered not only staggering personnel elimination, but his hopes for combat recovery were sharply retarded.

The storied boy hero of Holland who jammed his finger in a dike to stem the flow of a possible resurgent flood was a soldier. The gallant men of the Eighth Army who have died during the "dim out" war months of summer have performed the same mission. They have placed their lives in the United Nations bulwark so that not only are we intact but we are stronger than ever. If the Dutch boy hadn't plugged the aperture, the potential floodwater might well have destroyed the civilization he knew.

And so it was with the Eighth Army. During the past four months, if we had allowed the tide of the enemy to sweep the United Nations defense wall above the thirty-eighth parallel without constantly plugging our leaks and seeking out his strong points, we should have been overpowered and washed away pending resumption of full-scale combat.

In seizing a predominant scaling objective, we lost men—men who jammed their fingers in the dike so that the Communist flood waters could not destroy a free civilization.

It has been essential, in the combat shadows stemming from the accordion peace light at Kae-

song, to maintain a stern watch in the peninsula and to keep the enemy at bay by seeking him out and destroying him.

We await the hour when he concludes his transgression and trust then that the guns will be silenced.

U.S. Proposes U.N. Action on Cartels

STATEMENT BY ISADOR LUBIN U.S. REPRESENTATIVE IN ECOSOC¹

The question of international restrictive business practices is relatively new to conferences on international affairs. It is new, not merely in the sense that this is the first time the subject has come before the Economic and Social Council. It is new in the sense that only in the postwar years have governments seriously given consideration to the problem and worked upon it together.

Since it was the United States which placed the item on the Council's agenda,² I want to speak for a little while about the reasons why we proposed it and about what we feel might flow from the fact that an important organ of the United Nations may choose to act in this field.

For more than 60 years, the public policy of the United States has condemned cartels and monopolies. During this period we have repeatedly tightened our laws against monopolies and have steadily increased our budgetary expenditures and the size of the staff we use to discover and prosecute monopolies. We now initiate about two new legal proceedings per week, designed either to destroy existing monopolies and cartels or to forestall the rise of new ones. Although we have not been wholly successful in eliminating restrictive business practices, we have been able to keep the industrial markets of the United States basically competitive and thereby provide an essential safeguard for our high productivity, our rapid industrial progress, and our high and continuously rising standard of living.

The Government of the United States looks upon any action to prevent restrictive business practices by the United Nations as a supporting arm for policies which already have been accepted by this Council.

To be more specific, we are all agreed that the

most pressing problem before the world today is increasing the standards of living of people everywhere. Yet international cartels, which are now in the process of increasing their power and the range of their influence, can, should they so desire, frustrate the end we seek.

We are agreed similarly that measures must be taken to increase international trade. Yet cartels can undo much of the positive work that governments now are doing collectively.

We are agreed that strenuous efforts should be made to promote economic development, to utilize efficiently our natural and human resources, to improve productivity and the adaptation of modern technology in industry. We may not always agree on the affirmative steps needed to accomplish these ends. But we should be able to agree rather readily to prevent private business practices which obstruct their achievement.

Business practices which have monopolistic effects are inconsistent with the economic and social ends sought by free governments. Unchecked, they can become a major barrier to the economic programs cherished by this Council. In this sense, the measures here proposed by the United States are designed to protect the structure we are building together, to prevent its being undermined or weakened.

One of the major foreign policy objectives of governments since the war has been to increase the volume of international trade by reducing trade barriers. To this end, many countries have participated in the General Agreement on Tariffs and Trade, under which tariffs, quantitative restrictions, and other trade barriers have been reduced or eliminated. Other special arrangements have sought the same end—for example, the European Payments Union, the Benelux agreement, and the Schuman Plan.

Yet the trade barriers imposed by cartels are fully capable of bringing about the same results as tariffs, quotas, and other trade restrictions, nearly as fast as they are removed by governments. In fact, they can limit trade even more severely.

¹ Made before the Economic and Social Council at Geneva, Switzerland, on Sept. 11 and released to the press by the U.S. Mission to the U.N. on Sept. 13.

² BULLETIN of Aug. 13, 1951, p. 277.

Example of Cartel Operation

Let me give you a case in point. The most common form of international cartel is one in which an individual company, or a group of companies operating in the same country, is given the exclusive right to sell in its home market. In return, this company or group agrees to stay out of the home markets of other participants in the cartel. Markets of countries in which there is no cartel member are allocated or divided up among the individual cartel members by agreement.

A relatively short time ago my Government uncovered and broke up, by court decree, a cartel composed of American and European producers, which had deliberately prevented the development of an important industry in Latin America.

Certain European and American manufacturers had agreed upon an arrangement under which they gave each other exclusive rights to sales in their own national territory. In addition, this arrangement gave the United States producers exclusive rights to sell in India, Iran, Iraq, and Egypt. The markets of China, South America, and certain Central American countries were divided between American and European producers under quotas that varied from country to country.

The participants undertook even to prevent independent business enterprises, that is, non-cartel members, from making shipments that might offset the restrictive effects of the quotas assigned. In this particular instance, if a cartel member failed to keep a non-member producer in his own country from shipping the controlled product into export markets dominated by the cartel, the cartel member in question had his own export quota cut by an amount corresponding to what the non-member had shipped abroad into cartel territory. In other words, cartel members were put into the position where they had to police independent producers in their respective countries.

The cartel members also agreed that if any member should erect a plant in any export market reserved for him, that plant would not be permitted to export to other countries. If a member of the cartel erected a plant in a country whose markets he shared with other members of the cartel, it was agreed that he would offer proportionate ownership to those particular members.

These provisions in themselves were enough to retard industrial development in the countries whose markets were divided among members of the cartel. But in practice, the cartel members went even further. They used their market agreement to establish high prices. When they heard of any independent attempt to build a competing plant in any country, they cut prices in that particular country, just long enough to prevent the new plant from getting started. In one case, one of the cartel members actually built a small plant in a Latin American country to forestall the erection of a larger plant by an independent competitor.

The purpose of the cartel I have been describing, as revealed in the court proceedings in the suit brought by the United States Government, was to preserve for its members as much of their export markets as possible, by limiting the development of production within those markets.

This example, taken from real life—from the records of the United States courts—illustrates how international cartels can influence the economy of the world. By allocating export markets among its members, an international cartel may channel trade as it wishes, to or from any market. It can do so as decisively as a government could through tariffs and preferential agreements. By setting private quotas, it may impose quantitative restrictions on trade fully as effective as any quota set by any government. By preventing imports into the home markets of its members, it may impose a series of private embargoes upon trade, embargoes as effective as any governmental restriction. The over-all effect may be not only to hinder the growth of trade; it may also frustrate the efforts of underdeveloped countries to develop any particular industry.

Distinction Between Cartel Restrictions and Tariffs

There is one important difference between the trade barriers established by cartels and those established by governments. A tariff law in a free country must be voted by the representatives of the people. The lawmakers must decide on the size and shape and form of trade restriction which reflects the interests of their nation and its citizens. But a cartel agreement is arranged by private organizations, and the interests served are private interests alone. Moreover, in a cartel, the enterprises making these decisions may not even be owned by the citizens of the country whose trade they allocate. They may not even be domiciled within that country.

A second objective of governments, as revealed by the activities of this Council, is the attainment of high levels of production and employment. The restrictions imposed by cartels may thwart this purpose also, by restricting production and consequently restricting employment.

In the last 10 years, the United States has invoked its anti-trust laws against more than 60 international restrictive arrangements, and it has examined a considerable number of others. We have not encountered any case in which a cartel agreement contains any provision designed to regularize employment or expand payrolls. If cartels ever do serve such a purpose, it is only indirectly.

Indeed, court hearings have shown instances where, for the purpose of maintaining prices, cartels have reduced the volume of production or sale and have prevented the construction of new plants. Such restrictions, with few exceptions, have been adopted without reference to their ef-

fects on employment. The possible exceptions are in the few countries where cartels are under explicit or tacit surveillance by the State.

A third objective of this Council and of governments is to improve technology. This is an end sought by all progressive countries. But it is especially important for underdeveloped countries.

I have already mentioned how, to protect the export business of their members, cartels may limit their own investment in productive facilities in the countries which they regard as export markets, and how they may also seek to prevent such investment by others. To discourage independent producers, our court records show that they often use the weapons of cut-throat competition, denial of access to patents and technical know-how, refusal to supply raw materials, and efforts to prevent access to credit.

If they fail to prevent the rise of an industry in a new country, cartel members have been known to acquire a share of ownership in locally owned plants, not for the purpose of developing them, but for the purpose of retarding and limiting their growth.

In developed and underdeveloped countries alike, cartel members may delay the introduction of new technology to avoid a decline in the value of the equipment they already possess. A favorite device for repressing new technology is through the "patent pool." Cartel members have been known to obtain patents both on the process which they themselves intend to use and on alternative processes which non-member competitors might use.

By exchange of patents, it is possible for each member of the cartel to obtain, in the markets allocated to him, the strength that inheres in all of the patents owned by all of the members, and at the same time prevent any independent company from using these patents. Thus, in many countries, the cartel member may reserve to himself alone the patented technology which he actually makes use of, may limit production under that technology, and may prevent any competitor from using patented technology developed by all the cartel members, which he owns, but does not use.

A fourth major purpose of this Council and of our Governments, especially since the Second World War, has been to raise the level of productivity of industry.

Where cartel restrictions take the place of competition they often impair productivity and reduce efficiency. They may give undue protection to the inefficient concern. In some cartels, our experience in prosecuting them has shown that prices are deliberately set high enough to cover the costs of even the least efficient members of the industry.

Cartels may also reduce efficiency by employing restrictions which destroy the incentive for cartel members to expand their businesses. Where a cartel assigns quotas to its members, the quota

system protects the inefficient enterprise against loss of its market. At the same time it binds the efficient enterprise to its limited market.

Cartels may also reduce efficiency by curtailing output. Limitations on markets prevent an industry from using its plant capacity fully, thereby increasing the unit cost of operation. This effect may be enlarged still further by restrictions which prevent members from adopting new productive methods to replace old ones.

Mr. President, at the core of our work here in the Council is a common goal, the goal of enabling all people to enjoy a higher standard of living. To accomplish this purpose, the prices of consumer goods must be low relative to the compensation of labor. The ratio of wages to prices must tend to become more favorable with passing time.

Cartels often stand in the way of this primary goal. They may be used to raise prices or to prevent price declines. They thus maximize profits at the expense of the standard of living. Through such cartel practices as price-raising and price-maintaining, they take unfair advantage of the fact that business can organize more readily and more effectively than consumers.

Corrective Action Needed

Thus, cartel restrictions may impose trade barriers while governments are trying to reduce trade barriers. Cartel restrictions may reduce production and employment while governments are trying to increase them. Cartel restrictions may thwart industrial development while governments are trying to promote it. They may reduce productive efficiency while governments are trying to stimulate it; and, by raising prices, may reduce the buying power of consumers while governments are trying to raise the standard of living of consumers. Such effects call for corrective action by governments.

Now is the time to take such action. Although the war destroyed some cartels and temporarily reduced the effectiveness of others, the revival of cartel restrictions is evident at present, in spite of the conspicuous absence of a trade depression, which is often used as an excuse for cartels. Since the beginning of 1946, the United States has found it necessary to institute legal proceedings against 29 different business arrangements restrictive of international trade, in each of which both American enterprises and enterprises from other countries participated. We have encountered evidence of the postwar existence, in territories outside of American jurisdiction, of at least 19 different international cartel arrangements. And, in at least eight of these cartels, it is apparent that steps have been taken since the war to renew or strengthen their power. Postwar trade has not yet succumbed to a system of private restrictions as stifling and pervasive as that of the two decades preceding the war. But a trend back to such a system is becoming apparent.

Restrictions that reduce productivity and technological progress are always objectionable if our effort is to secure higher levels of production and rising living standards. They are peculiarly objectionable in this period when the security as well as the prosperity of the free nations depends upon full production. To curb objectionable restrictions now is therefore especially important. It will be easier to do so at this time than it may be a few years hence when private business restrictions, if unchecked, may have proliferated into an even more thorny hedge of trade barriers.

Small countries and small companies stand to gain most from the removal of international cartel barriers that restrict exports. They stand to gain most from the removal of cartel arrangements that restrict efficient production and from the removal of cartel obstacles to economic development and technical progress.

Business enterprises that are compelled by international cartel agreements to limit themselves to a relatively small national market are likely to be unable to become either large enough or specialized enough for efficient production and may be specifically prevented from adopting efficient methods. In the bargaining within a cartel for export markets, the more powerful and efficient enterprises tend to obtain a gradual increase in their percentage of the total business and thus to weaken further the position of the producers in the smaller countries. A cartel is not a charitable institution, and it gives the small and weak no better terms than they are able to exact.

That the problem of monopolistic cartel restrictions is one in which all governments have a common interest is further attested by the utterances of statesmen and the action of governments.

Growing National Concern About Monopolies

The United States is encouraged to believe in the possibility of effective international action against monopoly by the fact that domestic legislation on the same subject has been recently adopted or is now under consideration in many countries. We have applauded the recent statement by the distinguished Premier of France against secret price-raising agreements that protect inefficiency and tend to impair production; and we have taken note with pleasure of his expressed intention to sponsor legislation against such agreements. We have admired the rapidly developing program of the United Kingdom for investigating questionable business arrangements and taking legislative action against them where harm to the public interest becomes apparent. We have been interested in the investigatory legislation of Sweden and the corrective legislation in Norway and Denmark. We are following with interest the consideration of corrective measures against abuses of economic power which have reached various stages of development in France,

Belgium, Sweden, Italy, Norway, and Denmark. We hope and believe that national concern about monopoly problems will continue to grow and will provide an increasing amount of agreement upon which international cooperation can rest.

But although national action to cope with restrictive business practices that are international in scope is partly effective, it is not sufficient. The experience of the United States shows clearly the limitations of national laws that are not reinforced by international action. Such laws do not enable consuming countries, dependent upon imports from a cartel that is domiciled abroad, to protect themselves from arbitrary decisions by the cartel about the price or quality of the commodities they import. Through their national laws such consuming countries cannot prevent their national markets from being allocated to a particular member of a foreign cartel, and cannot prevent that member from exploiting his monopoly position. Neither can such consuming countries use their national laws to overcome barriers to industrial development that may be imposed from abroad by a cartel.

Moreover, national laws may be insufficient to enable a single country to ascertain the facts about cartel practices that affect its trade. Cartel meetings may be held abroad and the records of their proceedings may be kept abroad where they are inaccessible. International cartel members may get around their national laws by having foreign subsidiaries act in their behalf in making agreements that would be illegal, if made by the parent corporation in its home country. Moreover, an agreement made by an American corporation which is unenforceable in the United States may be enforced in the courts of some other country or under arbitral procedures which have the force of law in certain countries. Thus, international action is needed to supplement national action in discovering the existence of harmful cartel arrangements and in making it possible for individual governments to protect their citizens against them.

More important still, however, is the fact that international action is needed to safeguard the strength, the stability, and the prosperity of the international trade system, upon which the well-being of all participating nations largely depends. The United States knows that it cannot be prosperous in a world that is poor, nor have a large volume of trade in a world where trade is restricted or shrinking. It has recognized this fact in its policy of making loans for economic development and expansion; in its policy of furthering economic cooperation; in its sponsorship and financing of technical assistance. What is true of us is equally true of other nations. The trade of every country suffers when the flow of world trade is restricted. Any action by cartels that lowers European standards of living by curtailing production and trade in Europe does direct harm to the West-

ern Hemisphere and to Asia. By the same token any action by cartels that interferes with the standard of living in the United States and Latin America automatically has detrimental effects on both Asia and Europe. Hence, every country has an interest in contributing to the efforts of the others to thwart monopolistic restrictions wherever they may be found, even though its own exports and imports are not directly involved.

Almost alone among the great economic problems of the postwar world, the problem of restrictive business practices is one for which there is not now any international program of action. Governmental barriers to trade are being reduced by the General Agreement on Tariffs and Trade. Arrangements are in existence to cope with any surpluses that may arise among primary materials. The United Nations has established a technical assistance program and has taken steps to promote full employment and economic development. But there is no international program in effect to eliminate business restrictions that substitute private trade barriers for public ones; to prevent private international cartels from flouting publicly sponsored agreements dealing with commodity surpluses; to prevent action by private groups that may run contrary to the full employment and economic development policies of the United Nations. A proposal for such a program was included in the draft charter for an International Trade Organization, prepared at Havana, but that charter is no longer under active consideration by governments. No resolution on the subject has ever been adopted by this Council.

United States Proposals

The resolution that is before you proposes that this Council take two steps. The first is to reaffirm the principle that was formulated in the Havana Charter. The second is to set up an *ad hoc* committee to devise appropriate machinery to give effect to that principle.

The principle that was included in the Havana Charter was subjected to study by every country that participated in the drafting of that document. Two preliminary conferences were held before the long conference of Havana itself, as well as many informal discussions at a staff level between interested governments. The difference of opinion between those who thought cartels were always bad, and those who thought they were sometimes good and sometimes bad, was reconciled by a provision that action should be taken against restrictive business practices, not on an arbitrary basis, but upon a showing that they had harmful effects upon trade. The fact that this approach to the problem has been subsequently invoked in other international agreements of a temporary nature convinces the United States that its reasonableness has now been generally accepted.

The first part of our draft resolution recom-

mends that governments observe this principle in their dealings with one another.

The remainder of our draft resolution provides that steps shall be taken to give effect to the principle. The machinery provided to deal with restrictive business practices in the Havana Charter assumed the existence of the rest of the administrative machinery of the International Trade Organization. In the absence of such an organization, there is need to devise new machinery in order that states may effectively cooperate with one another for this particular common purpose.

In devising such new machinery two stages of activity are required. The first involves the formulation of appropriate methods of cooperation among governments in dealing with objectionable business practices. It includes consideration of such matters as devising procedures for receiving complaints, for ascertaining facts, and for agreeing upon such remedial action as may be needed. It also includes the formulation of appropriate plans for the study of restrictive practices in order that governments may have the necessary information to guide them in arriving at agreements as to the proper policies to be followed in dealing with such matters.

This part of the preparatory work is assigned to an *ad hoc* committee of the Council. We visualize the committee as formulating the terms of an international agreement about restrictive business practices, omitting, however, the portion of such an agreement which determines the final location of the work.

Since this committee will need to consider a large number of details, we think that its membership should be small. So far as is possible in a small committee, we have tried to include, in our suggestion for membership, countries which have had experience in curbing restrictive business practices by various means, countries which are now actively developing legislation for this purpose, countries substantially engaged in international trade both as exporters and as importers, and representation by both countries with a high degree of industrial development and countries which are not so developed.

The second stage of activity requires the consideration of what international body should carry out any agreement that may be made by governments concerning the elimination of restrictive business practices. It is not necessary to decide this question until the general nature of the proposed procedures has been formulated. Accordingly, our resolution provides that the Secretary-General shall consult with other international bodies as to the proper body to act as an instrument for implementing any international arrangement dealing with restrictive business practices, and that, after he has obtained these views, he shall make a report and recommendations to the Council. The combined recommendations of the *ad hoc* committee and the Secretary-General will consti-

tute the proposed terms of an agreement to give effect to the principle contained in the first part of our resolution.

Restrictive business practices such as I have been discussing are international in scope. The companies that engage in them in the international market are nationals of many different countries—among them, I regret to say, nationals of the United States. We do not deny or seek to conceal the fact that Americans have participated in international cartels.

But when they do so they violate the law and public policy of the United States. And when the Government of the United States discovers such violation, we take corrective action.

Sixty-one years ago, in 1890, to be exact, the first American law was passed forbidding monopolies and agreements to restrict trade in the United States. Twenty years later, supplementary laws were passed for the purpose of adding preventive action to the corrective action that had been provided in the older legislation. These new statutes undertook to stop monopolistic practices in their incipency. They also set up machinery for investigation, designed to inform the Congress of any new monopoly problems that might not be adequately dealt with by existing laws. In 1936 we tightened our law against price discrimination that might injure competition; and in 1950 we made it unlawful for one corporation to acquire the assets of another if competition is thereby substantially lessened.

During the 60 years of operation of our original anti-trust law we have prosecuted approximately 1,000 cases in our courts of law. The more recent laws have also been very actively used. Today, more than 600 people are engaged in the enforcement of these laws. As I have already told you, during the last 10 years at least 60 of our prosecutions have been directed against cartel activities involving international as well as domestic trade.

Mr. President, the United States is fully aware of the fact that our institutions are not perfect. We are also aware of the fact that we have not fully succeeded in avoiding restrictive business practices. But it is a part of the democratic way of life that where there is a wrong there shall be a remedy. The American anti-trust laws are our remedy against monopolies and cartels. The resolution we are proposing here is designed to take the first step in providing an international remedy against international monopolies and cartels, when they have harmful effects upon international trade.

UNITED STATES DRAFT RESOLUTION¹

The Economic and Social Council;

RECOGNIZING that restrictive business practices on the part of private or public commercial enterprises may have harmful effects on the expansion of production or trade,

¹ Introduced in Ecosoc Sept. 11 and released to the press by the U.S. Mission to the U.N. on the same date.

on the economic development of under-developed areas, and on standards of living;

RECOGNIZING that national and cooperative international action is needed in order to deal effectively with such practices; and

NOTING that various governments and international bodies have taken, and are considering, individual or collective action in this field, but that the Council has not dealt directly with the problem of restrictive business practices;

1. *Recommends* to states members of the United Nations that they take appropriate measures, and cooperate with each other, to prevent, on the part of private or public commercial enterprises, business practices affecting international trade which restrain competition, limit access to markets, or foster monopolistic control, whenever such practices have harmful effects on the expansion of production or trade, on the economic development of under-developed areas, or on standards of living;

2. *Establishes* an *ad hoc* committee on restrictive business practices consisting of the following member states: Canada, France, India, Sweden, United Kingdom, United States, Uruguay;

3. *Determines* that the committee shall prepare and submit to the Council as soon as possible and, in any case, not later than the sixteenth session proposals on methods to be adopted by international agreement for implementing the recommendation in the above paragraph, including inter alia provision for continuing consideration of problems of restrictive business practices. In preparing its proposals, the committee may consult with interested governments, Specialized Agencies, intergovernmental organizations and non-governmental;

4. *Instructions* the Secretary General to seek from any appropriate intergovernmental bodies or agencies their views as to the organization which could most appropriately implement these proposals and in the light of these views to make a report and recommendation at a later session of the Council.

ECOSOC RESOLUTION

U.N. doc. E/2133

Adopted Sept. 13, 1951

The Economic and Social Council;

RECOGNIZING that restrictive business practices on the part of private or public commercial enterprises which, in international trade, restrain competition, limit access to markets and to the means of production necessary for economic development or foster monopolistic control, may have harmful effects on the expansion of production or trade, on the economic development of under-developed areas, on standards of living and the other aims and objectives set out in Chapter I of the Havana Charter,

RECOGNIZING that national and co-operative international action is needed in order to deal effectively with such practices, and

NOTING that various governments and international bodies have taken, or are considering, individual or collective action in this field, but that the Council has not dealt directly with the problem of restrictive business practices,

1. *Recommends* to States Members of the United Nations that they take appropriate measures, and co-operate with each other, to prevent, on the part of private or public commercial enterprises, business practices affecting international trade which restrain competition, limit access to markets, or foster monopolistic control, whenever such practices have harmful effects on the expansion of production or trade, on the economic development of under-developed areas, or on standards of living;

2. *Recommends* that the measures adopted in the cases and for the purposes stated in the preceding paragraph shall be based on the principles set forth in Chapter V of

the Havana Charter, concerning restrictive business practices;

3. *Establishes an Ad Hoc Committee on Restrictive Business Practices* consisting of the following Member States: Belgium, Canada, France, India, Mexico, Pakistan, Sweden, United Kingdom, United States, Uruguay;

4. *Determines* that the Committee shall prepare and submit to the Council as soon as possible, and in any case not later than March 1953, proposals on methods to be adopted by international agreement for implementing the recommendation in paragraph 1 above including *inter alia* provision for containing consideration of problems of restrictive business practices. In preparing its proposals, the Committee may consult with interested Governments, specialized agencies, intergovernmental organizations and non-governmental organizations;

5. *Determines*, further, that the Committee shall:

(a) Obtain information from Governments, from specialized agencies and from other sources of information, on restrictive business practices, whether based on cartel agreements or not, that affect international trade and international economic co-operation generally, and on legislation adopted and measures taken by individual Member States in connection with restrictive business practices and with the object of restoring the freedom of competition; and

(b) Present to the Economic and Social Council analyses of this information together with the proposals mentioned in paragraph 4; and

6. *Instructs* the Secretary-General to seek from any appropriate intergovernmental bodies or agencies their views as to the organization which could most appropriately implement these proposals and, in the light of those views, to make a report and recommendation at a later session of the Council.

IMC Recommendation On Allocation of Newsprint

The Pulp-Paper Committee of the International Materials Conference (IMC) announced on September 24 that its member governments have accepted a unanimous recommendation made to them by the Committee in favor of a third emergency allocation of newsprint to countries in special need.

This third allocation of 15,800 metric tons has been made to 10 countries as follows:

	Metric tons
Brazil.....	1,200
Chile.....	1,000
Dominican Republic.....	500
France.....	2,000
Germany.....	5,000
Indonesia.....	1,500
Nicaragua.....	400
Spain.....	1,000
Uruguay.....	1,200
Yugoslavia.....	2,000

The third allocation brings the aggregate allocation of newsprint by IMC to date to 27,500 metric tons. The two previous allocations of newsprint made by IMC on May 30 and June 24 amounted to 11,700 metric tons, divided as follows: France, 2,700 tons; Greece, 1,440 tons; India, 2,250 tons; Malaya and Singapore, 630 tons; Pakistan, 450 tons; the Philippines, 2,340

tons; and Yugoslavia, 1,890 tons.

The committee stressed in the announcement that the quantity of newsprint being made available for allocation is limited because it will be diverted from contracts between Canadian and United States producers and Canadian and United States publishers. The latter are foregoing such newsprint for this purpose. As a consequence, allocations were made only to countries where emergency conditions existed. The quantities allocated so far will be taken into account in any future program.

The committee is still considering the over-all newsprint situation, taking into consideration the limited supplies available for any allocation. The committee advises all consumer countries not to cancel their contracts or fail to take up supplies offered in the hope of receiving newsprint through IMC allocations on more advantageous terms.

The 14 member governments of the Pulp-Paper Committee are Australia, Austria, Belgium, Brazil, Canada, France, the Federal Republic of Germany, Italy, Japan, Netherlands, Norway, Sweden, the United Kingdom, and the United States.

THE DEPARTMENT

Film Advisory Committee Formed

The Department of State announced, on September 23, the formation and first meeting of the Film Advisory Committee to the U.S. Advisory Commission on Information. The Film Advisory Committee is one of six committees being formed to operate as an advisory body to the U.S. International Information Program. Each committee will have as its chairman a member of the Advisory Commission on Information. In the case of the Film Advisory Committee, the chairman will be Mark A. May, director of the Institute of Human Relations at Yale University. The following outstanding motion picture specialists will serve as members of the new committee:

Gordon Biggar, President, Industrial Audio-Visual Association
 Frank Capra, Director-Producer, representing the Motion Picture Industry Council
 Ned E. Depinet, President, RKO Radio Pictures, Inc., and the Council of Motion Picture Organizations
 Y. Frank Freeman, Vice President, Paramount Pictures Corporation, and Chairman of the Board, Association of Motion Picture Producers
 Gunther R. Lessing, Chairman of the Board of Directors, Society of Independent Motion Picture Producers
 John G. McCarthy, Vice President, Motion Picture Association of America, Inc.

Joseph J. McPherson, Executive Secretary of Department of Audio-Visual Instruction and Director, Division of Audio-Visual Instruction, National Education Association

Peter J. Mooney, President, Non-Theatrical Film Producers Association, Inc.

Edmund Reek, Vice President, Movietonews, Inc.

Ralph W. Steetle, Executive Director, Joint Committee on Educational Television

Donald K. White, Executive Vice President, National Audio-Visual Association, Inc.

Walter A. Wittich, Director, Bureau of Visual Instruction, University of Wisconsin

The Film Advisory Committee is holding its first meeting on September 24 at Washington. The initial session will be largely introductory for the purpose of acquainting members with the Department's information program, how it fits into the over-all American foreign policy, and finally considering the more specific nature of the work of the International Motion Picture Division.

The new committee will serve as a consulting and contributing panel to the U.S. Advisory Commission on Information, which, is given, by act of Congress, the duty of carrying out a continuing examination of the information program and making semiannual reports and recommendations to the Congress.

The Film Advisory Committee is established in order to bring into play the knowledge and skills of the film industry that are applicable to the Government's overseas information program. It will meet from time to time, examine the informational aims of the Department, closely observe the type of movies now being used, and make what recommendations it sees fit on the broad policies or mechanics involved in the international motion-picture operation. The committee will in addition consider ways in which cooperation can be furthered between the Department and the private film industry.

Appointment of Officers

Donald D. Kennedy as Director of the Office of South Asian Affairs. The Office of South Asian Affairs handles United States relations with India, Pakistan, Afghanistan, Ceylon, and Nepal. The Office is a part of the Bureau of Near Eastern, South Asian, and African Affairs, headed by Assistant Secretary George C. McGhee.

Edward G. Cale as director of the Office of Regional American Affairs, effective September 18.

Dan Mabry Lacy as chief of the Division of Overseas Information Centers in the Department of State, effective September 17.

Wilson M. Compton as Staff Director of the U.S. Advisory Commission on Information.

THE FOREIGN SERVICE

Consular Offices

The American Consulate at Valletta, Malta, will be removed from the supervisory consular jurisdiction of the

Consulate General at Tunis, Tunisia, effective October 1, 1951.

Confirmations

On September 13, 1951, the Senate confirmed the nomination of Loy W. Henderson to be Ambassador Extraordinary and Plenipotentiary to Iran.

On September 13, 1951, the Senate confirmed the nomination of Edward L. Roddan to be Ambassador Extraordinary and Plenipotentiary to Uruguay.

On September 13, 1951, the Senate confirmed the nomination of Harold B. Minor to be Envoy Extraordinary and Minister Plenipotentiary to Lebanon.

Norman Armour Resigns As Ambassador to Venezuela

[Released to the press by the White House September 22]

The President has sent the following letter to Norman Armour, accepting his resignation as United States Ambassador to Venezuela:

MY DEAR MR. ARMOUR: It is with sincere regret that I accede to your request to be relieved of your ambassadorial duties in Venezuela, effective on a date to be determined following your return to the United States on or about October first.

Though already retired to a well-earned rest after a long and distinguished career in the service of our Government, you responded generously to my call last September to head one of our important embassies during this trying period of world-wide relations. During your tenure of office you exhibited your usual high standard of performance of duty. I have noted particularly that your sincere interest in Venezuela and its people has won for you their admiration and high regard and has also created an even closer relationship between the two countries.

As you again resume retirement, please accept my best wishes for good health and happiness in the years to come.

Very sincerely yours,

HARRY S. TRUMAN

Following is the text of Ambassador Armour's letter to the President:

AMERICAN EMBASSY,
Caracas, Venezuela,
September 13, 1951.

MY DEAR MR. PRESIDENT: When you were kind enough to call me back from retirement to assume the post of Ambassador to Venezuela, it was, I believe, the understanding that the assignment would be a temporary one only, the period of a year being mentioned. As that period is now almost completed, I feel that, for personal reasons, I must ask you to relieve me of my duties here and to accept my resignation as of October 1, next.

At the same time, I wish to assure you again of my deep appreciation of the confidence you have shown me in entrusting to me this important and interesting mission. It has been a great privilege to be afforded this opportunity to serve under you again, particularly in these difficult days.

With assurances of my high regard, I am, my dear Mr. President

Faithfully yours,

NORMAN ARMOUR

The United States in the United Nations

A weekly feature, does not appear in this issue, but will be resumed in the issue of October 15.

Current United Nations Documents: A Selected Bibliography¹

Security Council

Statement dated May 18, 1951 by the Minister of Foreign Affairs of the Korean People's Democratic Republic to the President of the Security Council. S/2167, May 24, 1951. 7 pp. mimeo.

General Assembly

Letter dated May 15, 1951 from the Representative of the Union of Soviet Socialist Republics to the United Nations, Addressed to the President of the General Assembly. A/1804, May 22, 1951. 3 pp. mimeo.

Uniting For Peace. Implementation of Paragraph 8 of Resolution 377 (V) Adopted by the General Assembly on November 3, 1950. A/1822, June 25, 1951. 16 pp. mimeo.

Additional Measures To Be Employed To Meet the Aggression in Korea. Reports from Governments on Measures taken in Accordance with General Assembly Resolution 500 (V) of May 18, 1951. A/1841, July 12, 1951. 62 pp. mimeo.

Letter dated 17 July 1951 from the Permanent Representative of the Federal People's Republic of Yugoslavia to the United Nations. Observance in Bulgaria, Hungary, and Romania of Human Rights and Fundamental Freedoms. Addressed to the Secretary-General. A/1843, July 25, 1951. 5 pp. mimeo.

Information Transmitted by Governments Concerning Prisoners of War. *Ad Hoc* Commission on Prisoners of War. A/AC.46/1, June 28, 1951. 52 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Document Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

The United Nations Secretariat has established an Official Records series for the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, and the Atomic Energy Commission which includes summaries of proceedings, resolutions, and reports of the various commissions and committees. Publications in the Official Records series will not be listed in this department as heretofore, but information on securing subscriptions to the series may be obtained from the International Documents Service.

Information Transmitted by the Governments Concerning Prisoners of War. *Ad Hoc* Commission on Prisoners of War. A/AC.46/1/Add.1, July 18, 1951. 13 pp. mimeo.

Secretariat

Protocol and Liaison. Special Informational Bulletin. List of Permanent Delegations Accredited to the European Office of the United Nations at Geneva. ST/SG/SER.C/2, July 12, 1951. 7 pp. mimeo.

Analysis of Replies from Governments to the Full Employment Questionnaire Covering the Period 1950-51, Submitted Under Resolutions 221 E (IX) and 290 (XI) of the Economic and Social Council. Report by the Secretary-General. E/2035, June 27, 1951. 41 pp. mimeo.

Report by the Secretary-General Under Economic and Social Council Resolution 296 (XI) on Procedures for Intergovernmental Consultations on Problems of Primary Commodities. E/2039, June 27, 1951. 28 pp. mimeo.

Report of the Committee on the Draft Convention on Freedom of Information. Legal Problems Raised by Certain Amendments to the Draft Convention. Memorandum by the Secretary-General. E/2046, July 5, 1951. 21 pp. mimeo.

World Economic Situation. Economic Development of Underdeveloped Countries. Relation of Fluctuations in the Prices of Primary Commodities to the Ability of Underdeveloped Countries To Obtain Foreign Exchange. Report by the Secretary-General. E/2047, July 5, 1951. 113 pp. mimeo.

Check List of Department of State Press Releases: Sept. 24-30, 1951

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D.C. Items marked (*) are not printed in the BULLETIN.

No.	Date	Subject
839	9/17	Information Committee appointments
847	9/17	Turkey signs Torquay protocol
853	9/18	Malaya invites U.S. to study tin
854	9/19	Austria signs Torquay protocol
859	9/21	Film Advisory Committee
860*	9/22	Warren: Ambassador to Venezuela
861*	9/24	Atwood: Port of N.Y. authority
862	9/24	Webb: Conduct of foreign affairs
863	9/24	Truman: Greece and Turkey-NATO
864	9/24	Barrett: VOA transmission facilities
865	9/25	Italian agreement signed
866	9/26	Declaration on Italian peace treaty
867	9/26	Acheson: Goals achieved at confs.
868	9/26	Jessup: U.S. policy toward U.S.S.R.
869	9/26	Communiqué re: de Gasperi visit
870*	9/26	Anniversary of New Zealand
871	9/26	Acheson: Introducing de Gasperi
872	9/27	Aid to Brazil for rehabilitation
873	9/27	Swiss income tax convention
874	9/28	Treaty of friendship with Denmark
875*	9/28	Hawley: Adviser to German youth
876	9/28	Spofford to sign NATO protocol
877*	9/28	Visitors to U.S.
878	9/28	TCA board urges food aid

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Foreign Relations of the United States, 1934. Vol. II: Europe, Near East, and Africa. Pub. 4212. xcv, 1002 pp. \$3.75.

A collection of official papers relating to the foreign relations of the United States.

Technical Cooperation. Treaties and Other International Acts Series 2249. Pub. 4247. 8 pp. 5¢.

Agreement between the United States and Ecuador—Signed at Quito May 3, 1951.

American Labor and World Trade. Commercial Policy Series 139. Pub. 4254. 8 pp. Free.

A fact sheet on U. S. expansion of world trade and its significance to the American worker.

Technical Cooperation. Treaties and Other International Acts Series 2254. Pub. 4260. 4 pp. 5¢.

Agreement between the United States and Pakistan—Signed at Karachi Feb. 9, 1951; entered into force Feb. 9, 1951.

Strength for Free Europe: Contributions of Our North Atlantic Allies. General Foreign Policy Series 55. Pub. 4268. 7 pp. Free.

A fact sheet on the North Atlantic Treaty Organization (NATO).

United Nations: 60 Countries Pledged To Act. International Organization and Conference Series III, 71. Pub. 4296. 9 page folder. 5¢.

An information pamphlet on highlights of U.N. progress.

The United Nations Today. International Organization and Conference Series III, 72. Pub. 4298. 10 pp. 4 charts. 10¢.

A background summary of the activities and organization of the United Nations and its specialized agencies.

The Communist "Peace Crusade." General Foreign Policy Series 65. Pub. 4328. 5 pp. 10¢.

A background summary of the Soviet's peace crusade as compared to the American peace drive.

Japanese Peace Conference, San Francisco Sept. 4-8, 1951. International Organization and Conference Series II, Far Eastern 2. Pub. 4371. 21 pp. Free.

Opening and closing statements, the rules of procedure, and answers to Soviet charges.

Two Weeks in August: East German Youth Strays West. European and British Commonwealth Series 30. Pub. 4363. 13 pp. 10¢.

A background summary of the Communist youth festival in Berlin.

The American Frontier—1951. General Foreign Policy Series 64. Pub. 4313. 9 pp. Free.

Address by Harry S. Truman, President of the United States, in connection with the celebration of the 250th anniversary of the founding of Detroit, July 28, 1951.

Communist Festival for Youth, East Berlin, August 1951. European and British Commonwealth Series 27. Pub. 4325. 8 pp. 10¢.

A Background summary of the festival and the role played by the *Freie Deutsche Jugend* (FDJ).

Draft Treaty of Peace With Japan With Declarations by the Government of Japan. Far Eastern Series 49. Pub. 4330. 32 pp. 20¢.

Final draft treaty for use at Japanese Peace Conference with draft declarations by the Government of Japan.

Japanese Peace Conference, San Francisco, September 1951. International Organization and Conference Series II, Far East 1. Pub. 4355. 12 pp. 10¢.

A background summary of the important events, issues, and developments leading to the Japanese peace conference.

United Nations poster. Free.

A poster for United Nations Day, October 24, 1951.

THE CONGRESS

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Departments of State, Justice, Commerce, and the Judiciary Appropriation Bill, 1952. S. Rept. 697, 82d Cong., 1st sess. [To accompany H. R. 4740] 33 pp.

Expressing Indignation at the Arrest and Conviction of Associated Press Correspondent William N. Oatis by the Czechoslovakian Government. S. Rept. 696, 82d Cong., 1st sess. [To accompany H. Con. Res. 140] 3 pp.

Providing for the Control by the United States and Co-operating Foreign Nations of Exports to any Nation or Combination of Nations Threatening the Security of the United States, Including the Union of Soviet Socialist Republics and all the Countries Under its Domination. S. Rept. 698, 82d Cong., 1st sess. [To accompany H. R. 4550] 8 pp.

Relating to Voluntary Contributions for Korean Relief. S. Rept. 699, 82d Cong., 1st sess. [To accompany H. J. Res. 281] 2 pp.

United States Foreign Aid Programs in Europe, Report of the subcommittee of the Committee on Foreign Relations on United States economic and military assistance to free Europe. S. Doc. 56, 82d Cong., 1st sess. 46 pp.

The Mutual Security Program. Hearings before the Committee on Foreign Affairs, House of Representatives, Eighty-second Congress, first session, on (H. R. 5020 and H. R. 5113) the Mutual Security Program. June 26, 27, 28, 29, July 2, 3, 10, 11, 12, 13, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 30, and 31, 1951. 1600 pp.

Mutual Security Act of 1951. Hearings before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, Eighty-second Congress, first session, on S. 1762, a bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing assistance to friendly nations in the interest of national security. July 26, 27, 30, 31, August 1, 2, 3, 6, 7, 8, and 9, 1951. 801 pp.

The Supplemental Appropriation Bill for 1952. Hearings before subcommittees of the Committee on Appropriations, House of Representatives, Eighty-second Congress, first session, on the supplemental appropriation bill for 1952, H. 822 pp.

Amending Section 32 (A) (2) of the Trading With the Enemy Act. S. Rept. 503, 82d Cong. 1st sess. [To Accompany S. 302] 6 pp.

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